

Joint Venture in Automated Real Estate Valuation Between HVB Expertise and MDA

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Munich/Vancouver. MacDonald, Dettwiler and Associates Ltd. (MDA), Vancouver and HVB Expertise GmbH, Munich have agreed to establish a joint enterprise for the automated valuation of German residential properties. The goal of the joint venture, called "Wertweiser", will be to provide services to financial institutions such as banks, building and loan associations and insurance companies that are active in the German real estate market. The rapid, Internetbased provision of key information influencing a valuation will significantly expedite the valuation process for standardized residential properties, while reducing costs and yielding higher-quality valuation results. The joint enterprise of MDA, a leading player in the field of real estate information services in the USA, Canada and Great Britain, and HVB Expertise, the real estate consulting branch of HypoVereinsbank, is expected to be launched in spring 2006, with headquarters in the greater Munich area. After a period of joint market and technology assessment, a Memorandum of Understanding was signed in Vancouver on July 6 and 7 by John Geddes, Vice President Business Development, MDA and Raymond Trotz, Head of Valuation at HypoVereinsbank.

Services to be provided by the new company will focus on increasing efficiency by shortening the overall real estate valuation process (for example, the search for comparable data and classification of the property into the currently relevant partial market) for sales purposes and as a consequence also for financial service providers. In addition to determining the market price as part of the initial loan origination process, in the longterm services will be provided to support calculation of the market rating, mortgage lending valuation, and the reappraisal required by Basel II, international banking standards. Depending on which Basel II approach to equity capital backing a financial institution has chosen, the system also allows for progressive valuations and forecasts, the latter being required to determine the LGD (loss given default). The valuation system will meet the requirements of the Federal Financial Supervisory Authority (BaFin) for assessing the value of real estate or a building over the long term within the scope of the Mortgage Act which will take effect on July 19.

This new service is based on the valuation techniques developed by HVB Expertise, which have been empirically tested and are applicable on a nationwide basis. The HVBe valuation model utilizes the *MoriX* property and market rating system, which since 2003 has been tested on tens of thousands of cases, as well as

the *Expertix* transaction database, which contains some 900,000 valuation cases.

The electronic transaction and data base management IT infrastructure will be provided by MacDonald, Dettwiler based on decades of experience in this field. In partnership with Freddie Mac, MDA through its subsidiary DataQuick pioneered the introduction of automated property valuation in the US market with the Freddie Mac Home Value Explorer (HVE) product. DataQuick services are based on a data base containing information on 87 million US properties (www.dataquick.com). Major DataQuick clients include Wells Fargo Home Equity, Countrywide Home Loans and Southwest Financial.

"We have found an ideal partner in HVB Expertise, a consulting firm that enjoys a high level of professional acceptance in the field of real estate valuation in Europe's largest market and which is better able to keep abreast of the constantly changing regulatory requirements for financial service providers than anyone else we can imagine," commented John Geddes on his company's choice of partner. Raymond Trotz added: "A company that has successfully introduced the concept of automated valuation into the largest real estate market in the world, and which operates one of the most professional information platforms we know of, the National Land Information System (NLIS) in Great Britain, is the partner most congenial to us for the technical implementation of this demanding project."

Further information will be available at the EXPO REAL 2005 commercial real estate fair in Munich (October 11, 10-11.30. a.m., Hall B, Conference Room B13).

For further information on the partners, please see:
www.hvbexpertise.com

www.mdacorporation.com

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About MacDonald, Dettwiler and Associates. Ltd.

MDA provides advanced information solutions that capture and process vast amounts of data, produce essential information, and improve the decision making and operational performance of business and government organizations worldwide. The Company operates through two reporting units: [Information Products](#) and [Information Systems](#). MDA employs over 2500 people through offices in the United States, the United Kingdom, and Canada. The Company's common shares trade on the Toronto Stock Exchange under the symbol "[MDA](#)".

About HVB Expertise GmbH

The HVB Expertise is the real estate consulting branch of HVG Group, which acts independently of lending, transaction, and agency interests. The Company offers specialised services like valuations and market research for financial service providers, institutional investors and property companies. The Munich based company is represented by 140 specialists – including an international network Euroexpert - in 15 regional locations throughout Germany and Europe. The HVB Expertise experts and over 25,000 single properties and 200,000 properties in the framework of portfolio valuations every year.