

Press Release

For immediate release

08 December 2010

F&C REIT completes £18.1m portfolio purchase

F&C REIT has completed the acquisition of a tranche of retail and industrial units for a fee of £18.1 million with an initial yield of 10.27% from an undisclosed vendor. Tenants in the newly acquired units include the likes of JD Wetherspoon and fashion retailer Evans.

The purpose built warehouse at Oldfields Business Park, Stoke-on-Trent, totals 103,769 sq ft (9,640.37 sq m), comprising a four-bay unit encompassing ancillary two-storey offices. The property is let to Senior Hargreaves Ltd at £505,203 pa.

The second distribution unit at South Marston Park, Swindon, totals 100,552 sq ft (9,342 sq m) and comprises a detached warehouse with ancillary two-storey offices. The property is let to Early Learning Centre at £520,000 pa.

A multi-let mixture of retail, pubs and a restaurant at Above Bar Street and Civic Centre, Southampton, totals 47,138 sq ft (4,379.26 sq m). The site comprises a prominent unbroken parade of eight shops with the majority fronting Above Bar Street and one shop around the corner on Civic Centre Road. The site receives £424,475 pa in rent.

The retail unit in Staines High Street comprises a pub arranged around a basement, ground and first floors and a beer garden, totaling 7,281sq ft (676.4 sq m). The property is let to JD Wetherspoon plc at £132,500 pa.

The retail property at Humberstone Gate, Leicester, totals 6,279 sq ft (583.34 sq m) arranged on basement, ground and one upper floor to provide a large ground floor retail sales area with ancillary accommodation. The property is let to fashion retailer Evans at £265,500 pa.

The final two properties in Regent Street, Wrexham, total 7,178 sq ft (666.9 sq m), comprising of two retail units with ground floor sales and ancillary storage on the upper floors. The property is let to Aurum Group Ltd and Clinton Cards for a combined rent of £150,000 pa.

Zvi Noé, Director, Investments at F&C REIT, said of the purchase:

“The acquisition of this portfolio shows that in this market good quality stock with long-term prospects can be bought at a competitive price. These purchases represent sound investments at competitive yields, occupied by successful brands.”

Franc Warwick acted on behalf of F&C REIT in the deal.

- Ends -

Press enquiries

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Notes to Editors

F&C REIT Asset Management

- F&C REIT Asset Management is a leading international real estate manager formed through the combination of F&C Asset Management's property business and REIT Asset Management in September 2008.
- F&C REIT is an entrepreneurial, institutionally-partnered force in commercial property and manages a global portfolio worth £7.5 bn (30/09/10)* on behalf of a wide range of individuals, professional investors, property trusts and institutional clients.
- F&C REIT's investment team uses both detailed proprietary and external research, sophisticated forecasting and strategic analysis to find market inefficiencies and opportunities – across property sectors, countries, types and tenants.
- F&C REIT offers a comprehensive, integrated range of real estate fund management services with a network of offices spanned across five countries: Germany (Munich), India (Mumbai), Ireland (Dublin), Sweden (Stockholm) and the UK (London).
- In November 2010 F&C REIT won the highly coveted UK Property Investment House of the Year Estates Gazette award. This prestigious award was based on the investment performance F&C REIT delivered on its UK portfolio for the 12 months to December 2009, as recorded by Investment Property Databank (IPD). F&C REIT's aggregate UK property portfolio returned an average of 11.9% across its eight IPD-measured portfolios in 2009. The double-digit average return outperformed the 23-strong benchmark of fund management house portfolios by 8.2%. Seven out of eight of F&C's funds were ranked in the top quartile and out-performed their benchmarks. According to IPD's performance analysis of the F&C REIT Asset Management house portfolio, the

overall out-performance was driven by above average income and favourable yield adjustments, supported by a low risk profile.

* 52.7% of the assets under management are recorded at their acquisition cost, reflecting the basis on which income is generated for F&C REIT by these assets