

Press Release 6 March 2009

## **F&C REIT and AREA Property Partners complete Dawnay Day deal**

F&C REIT Asset Management, in conjunction with AREA Property Partners, has exchanged contracts to complete the acquisition of the 3,410,000 sq ft (316,799 sq m) Dawnay Day portfolio.

The new joint venture investment vehicle arranged and managed by F&C REIT Asset Management is between Trafalgar Overseas Ltd (advised by F&C REIT Asset Management) and Apollo European Real Estate Fund III (managed by AREA Property Partners).

The much sought after portfolio consists of 211 properties, with 70% retail element and includes landmark properties such as the Austin Reed store on London's Regent Street. The portfolio was awarded to F&C REIT in December 2008 after a bidding process when it was chosen as the preferred bidder for the properties.

Financial services group, Dawnay Day's property portfolio was placed into administration in 2008 when Norwich Union, Dawnay Day's primary lender, appointed BDO Stoy Hayward to undertake the administration for the £800m portfolio.

Leo Noe, Executive Chairman of F&C REIT Asset Management, said of the exchange of contracts for the Dawnay Day deal:

"We were absolutely delighted to have secured the portfolio as there was plenty of interest in the market for it. The merger between F&C Investments and REIT Asset Management in 2008 brought together F&C's fund management expertise with REIT's entrepreneurial approach and strong investment track record producing enhanced and significant synergies to be able to target opportunities such as the acquisition of the Dawnay Day property portfolio.

"We have created immediate value through this transaction by extending our property asset management, adding this portfolio of 211 properties. This combination will significantly enhance the value of F&C REIT to our shareholders which is excellent news, particularly considering the current climate."

William Benjamin, Managing Partner of AREA's European activities, commented:

"We are pleased to be involved in the acquisition and successful financing of such a substantial portfolio at this challenging time. We are also pleased to be continuing our long and fruitful relationship with REIT and look forward to furthering our affiliation with their newly merged partnership with F&C."

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Nick Criticos, CEO of F&C REIT Asset Management, commented:

“When we merged F&C Investments Property business with REIT Asset Management last year, we felt that it was an opportunity to create a real estate business that could produce opportunities to launch new products and enhance the product offering for clients of both operations, and a mere four months on from the merger I believe that we have validated our statement of intent to do that with the purchase of the Dawnay Day portfolio.

“Our complementary skills, strengths, outlook and ambition is what secured the deal, which looking back on 2008 is one of the biggest property transactions carried out for sometime.”

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**Notes to Editors:**

F&C REIT Asset Management was created in September 2008 with the merger between REIT Asset Management Ltd and the UK and Irish property businesses of F&C Asset Management plc.

The merger created an investment vehicle with £8.5 billion in assets under management by F&C REIT in UK, Ireland, Germany, India, Israel and Sweden.

AREA Property Partners (AREA), formerly Apollo Real Estate Advisors, is an international real estate fund manager which has acquired in excess of \$30 billion of assets in more than 450 transactions. Co-founded and led by William Mack, AREA serves as the general partner of a series of real estate investment funds totalling over \$11.6 billion of equity across nineteen funds and a number of institutional joint ventures. AREA has been investing in Europe since 1995 where it has successfully invested over \$1.6 billion of equity in over 100 transactions across fifteen countries. AREA's European investments are sourced and managed by AREA's London office.