

Direct European Property Continues to Deliver

16 August 2007

- We believe there is scope for further improvement in European commercial property going forward
- The IPD Eurozone* Index achieved total returns of 10.1% in 2006, up from 7.5% in 2005
- Invista European Real Estate Trust (IERET) achieved returns of 17.7% over the full year 2006, significantly outperforming IPD's Eurozone Index
- Accelerating rental growth in many of the key real estate markets will make a more significant contribution to investment performance than has previously been the case
- Opportunities in Italy and the Netherlands are also increasingly coming onto our radar screen
- An active asset management strategy combined with proprietary in-house research is critical to capture growth going forward

We are very positive about the performance of Continental European real estate. This is supported by empirical evidence just released from IPD* which shows that direct property performance in Europe has improved for the second consecutive year. The IPD Eurozone* Index achieved total returns of 10.1% in 2006, up from 7.5% in 2005. Given the outlook for full year 2007 we believe there is scope for further improvement going forward.



* IPD is a leading global provider of direct property performance measurement and benchmarking services. IPD's Eurozone Index is a weighted average of total returns in Austria, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal and Spain.

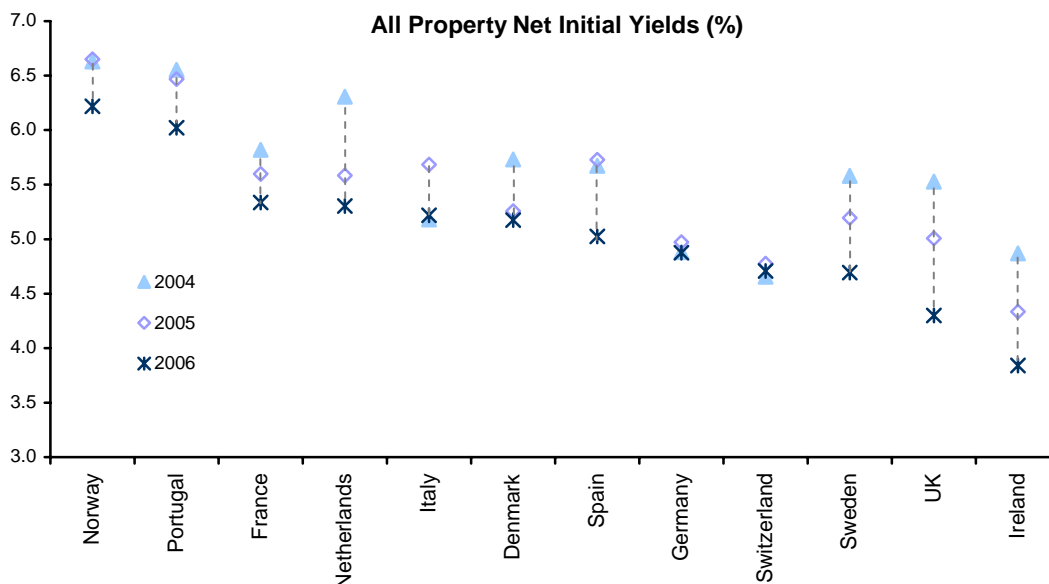
** Total returns for IERET (Invista European Real Estate Trust) are ungeared and independently measured by IPD. IERET achieved total returns of 17.7% in 2006 across its entire portfolio which includes assets held throughout 2006 and acquisitions made in the course of the year. IERET was established in June 2005 to invest in commercial real estate in continental Europe, and was listed on the London and Luxembourg Stock Exchanges in December 2006. IPD Indices are based on standing assets only.

Invista's flagship European property fund (IERET) achieved returns of 17.7% over the full year 2006, significantly outperforming IPD's Eurozone Index at 10.1%. Such out performance was achieved through a rigorous market, sector and stock selection process – targeting those opportunities which we believe will deliver strong income and capital growth. This top down and bottom up research-led investment strategy identifies countries, regions and city markets that are expected to perform better than their peers on a risk adjusted basis.

For example we established a compelling business case during 2006 to focus on recovery markets and mis-priced assets, sectors or regions such as those in parts of Germany and regional France. The assets IERET acquired in these locations produced excellent performance, securing returns of around 20% on the German properties held throughout 2006, despite the weak performance of IPD's Germany Index which achieved returns of only 1.3% over the same period. Invista firmly believes that Germany continues to offer attractive investment opportunities, although stock selection has become one of the key determining factors in ensuring good performance.

France is also a key target market for IERET and it achieved exceptional total returns of 21.7% in 2006.

Investment performance across all markets has benefited greatly from the effects of yield compression in recent years as illustrated by the graph below which tracks yield movements between 2004-6. This has principally been driven by the weight of investment capital and the shortage of suitable product – a trend which will continue through 2007.



IERET's performance in 2006 also reflects a strong track record of outstanding stock selection and asset management. We believe that active fund managers will be differentiated in the near term as accelerating rental growth in many of the key real estate markets will make a more significant contribution to investment performance than has previously been the case. An active asset



management strategy combined with our proprietary in-house research is therefore critical to capture such growth.

Tim Francis, Director of Continental European Strategy and Research at Invista, comments: "Evidence from 2007 so far suggests that European property performance has continued to improve on the back of buoyant global and European economic conditions and strong property leasing markets. The investment strategy for IERET remains to target opportunities in the largest, most liquid property markets with a particular focus on Germany and regional French cities and more generally on the office sector recovery. Cyclical opportunities in Italy and the Netherlands are also increasingly coming onto our radar screen".

Tony Smedley, Head of European Funds at Invista comments: "Market activity remains buoyant across Continental Europe. We have achieved strong NAV growth of 8.6% since IPO which indicates the Company is well positioned for good performance in 2007. Active asset management is now reaping rewards and negotiations are already underway to re-gear some of the leases in the French logistics portfolio acquired in April. We are also making calls about markets which have reached the bottom of their rental cycle so as to benefit from upside in future leasing – this may mean we take on short term market risk to capture such growth".

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About Invista Real Estate Investment Management

Invista Real Estate Investment Management is the largest listed real estate fund management group in the UK. The Group manages both commercial and residential property across the UK and continental Europe, and has a total of £10.2 billion of assets under management as at the 30 June 2007.

Invista Real Estate currently manages a total of 16 funds, some of which are for the largest UK providers of savings and investment products such as Clerical Medical, Halifax and St. James's Place. Invista Real Estate also manages a number of collective investor funds, including real estate investment trusts and open ended funds such as [Invista Foundation Property Trust](#) and [Invista European Real Estate Trust](#) which are listed on the main market of the London Stock Exchange as well as the fund of specialist funds Invista Property Portfolio Fund. Out of these 16 funds, those with a minimum 12 month track record as at end December 2006, outperformed their benchmarks by 84% and 86% over a 1 and 3 year period respectively. Invista Real Estate has over 90 employees and in 2006 transacted over £3.5billion of real estate assets.

For more information on Invista Real Estate or the funds it manages visit www.invistarealestate.com.



About Invista European Real Estate Trust

Invista European Real Estate Trust ("IERET") is domiciled in Luxembourg and listed on the main market of the London Stock Exchange.

IERET's investment objective is to provide shareholders with an attractive level of income return together with the potential for income and capital growth through investing in diversified commercial real estate in Continental Europe. The current geographical focus of the Company remains the Western European countries due to pricing opportunities and the relative stability, transparency and liquidity of these markets.

The Continental European team at Invista Real Estate comprises ten members, seven of whom are investment professionals who have previously worked in the Continental European real estate markets; half of this team have also lived in Continental Europe. The team has extensive knowledge of the Continental European property markets and has access to opportunities through a network of contacts with principals and intermediaries. IERET is Invista Real Estate's flagship listed Continental European real estate fund.

For more information on IERET please visit www.ieret.eu

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