



## Press release

06 April 2009

### **Invista REIM plc grows operations and assets under management through acquisition of Asian fund management platform**

**-Transaction undertaken in parallel with Invista International Fund's first strategic investment-**

Invista Real Estate Investment Management Holdings plc ("Invista" / the "Company"), the UK's largest listed real estate fund management group, today announces that it is establishing a fund management platform in Hong Kong and Singapore. This is a continuation of the core strategies announced at the time of IPO and meets its core objectives of:

1. Grow recurring income;
2. Maximise investment returns compared with benchmarks;
3. Increase the number of opportunities for performance fees;
4. Deploy balance sheet funds into growth areas for our business; and
5. Diversify the business into new fund types and geographies.

The Invista Real Estate International Fund LP (the "Invista International Fund" / the "Fund") has also acquired the Big Orange Self Storage Fund, which has investments in Hong Kong and Singapore.

Further details of both elements of the transaction are set out below.

#### **Acquisition of Asian fund management platform**

Invista has conditionally agreed to acquire the Asian fund management platform of Babcock & Brown Limited ("B&B").

The acquisition will provide Invista with new offices in Hong Kong and Singapore together with a small team of experienced fund managers and access to their institutional client investors. The Asian fund management platform currently manages one fund, the Asian Big Orange Self Storage Fund, which, in parallel to the transaction is being acquired by the Invista International Fund.

Along with Invista's current offices in Europe, the new offices will provide the Company with a strategic platform to grow its operations across Asia, further establishing Invista as an international real estate investment management business. The acquisition of the Asian fund management platform will have no effect on Invista's current uncommitted cash surplus and is being acquired at no cost. It will generate new fund management revenues from the new fund. Through its newly established local management platform, Invista will aim to attract further new third party investors to the Fund and thereby further grow the business. It is anticipated that the acquisition will be completed in May.



Invista's new Asian presence will be led by the newly appointed Head of Hong Kong and Singapore Investments, Broderick Storie, who will initially be focused on building /expanding the business into the mature markets of the region, primarily Japan, Hong Kong and Singapore. Broderick was previously the head of B&B's real estate operations in Asia (ex-Japan). He has considerable experience investing across the Asia-Pacific region including the creating and establishment of new funds and joint ventures. Broderick originally launched the Asian Self Storage Fund. Broderick will report directly to Philip Gadsden, Deputy CEO of Invista, and Philip will chair the new Asian Investment Committee.

In addition to the Asian based team, Invista is also hiring Tom Rowley who will be based in the UK. Tom will work closely with the current senior Invista team in developing global initiatives and new corporate expansion. Tom has extensive experience both in Australia and across the UK and Europe. He was previously the head of B&B's real estate business in the UK and was also instrumental in establishing the European real estate operations at B&B. He will join the senior business management team at Invista, and will report directly to Duncan Owen, CEO of Invista.

### **Acquisition of Big Orange Self Storage Fund by the Invista International Fund**

The Invista International Fund has signed conditional contracts for the acquisition of the Big Orange Self Storage Fund ("BOSS" / "the Fund") from Babcock & Brown Limited for a total cash consideration of £12.95m. In addition to the purchase consideration, the Invista International Fund will inject further capital alongside other investors but will take a controlling stake in the fund until further new investors subscribe. It is a closed ended fund and will retain the non recourse debt obligations in connection with the current assets as part of the transaction with a Loan to Value of about 40%.

The Fund, which was established in 2006, provides self storage, mini storage and storage management solutions in Hong Kong and Singapore. The Fund currently owns circa 35,000 sq m of self storage space across 5 sites. The Fund is considered a market leader in the Asian self storage industry.

The Invista International Fund was launched in May 2008, with equity commitments of £50 million to invest in the Asia-Pacific region and with an initial focus on Japan, Hong Kong and Singapore. Invista holds a 50% equity interest in the Invista International Fund. The Fund has already signed a joint venture agreement with Capital Realty Inc, the Japanese specialist asset manager, to expand its platform for investment in the Japanese real estate market.

### **Duncan Owen, CEO of Invista, commented:**

"This transaction is entirely consistent with our strategy of diversifying the business by geography and fund type. We will have new fund management revenues originating from Asian markets as well as a new specialist Asian self-storage fund. It also provides immediate access to a skilled team of investment professionals with local and specialist knowledge of target Asian markets. The investment management platform has been taken over at no cost to Invista and provides immediate fund management revenue, with the opportunity to increase earnings further from performance fees. It also enables us to offer further services and real estate opportunities to our existing and future clients with no effect on Invista's cash surplus.

"We are excited by the prospects for the Fund which we anticipate will benefit from ongoing demand for self-storage in Asia over the medium to long term."



**Hugo Vere, the fund manager of Invista's International Fund, commented:**

"This purchase is strongly aligned with the strategic aspirations of the International Fund. The assets have been acquired at a very attractive opportunistic price and the BOSS team's specialist skill set is both proven and well regarded."

**Contacts:**

**Invista Real Estate**

Duncan Owen +44 207 153 9345

Jayne Phelan +44 20 7153 9424

**Financial Dynamics**

Stephanie Highett / Dido Laurimore +44 20 7831 3113

**Notes to editors**

**Further detail on Big Orange Self Storage**

BOSS, which was established in 2006, provides self storage, mini storage and storage management solutions in Hong Kong and Singapore. BOSS is considered a market leader in the Asian self storage industry and the Fund intends to expand into further market areas within Asia. The acquisition provides the Fund with a portfolio of high quality industrial and storage units. Notwithstanding concerns about the short-term economic outlook, longer-term economic and demographic drivers are supportive of growth in customer demand for self storage.

The transaction also signals Invista's continued expansion of its current platform for investment into the Asian real estate market.

**About Invista Real Estate Investment Management**

Invista Real Estate Investment Management is the largest UK listed real estate fund management group. The Group manages both commercial and residential property across the UK and continental Europe, and has a total of £6.3 billion of assets under management as at 31 December 2008. Invista Real Estate manages a total of 23 funds as at 31 December 2008, 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, the Invista Property Portfolio Fund. Invista Real Estate has offices in London, Paris and Guernsey and employs over 100 people.

**About Invista International Fund**

The acquisition of the Asian Self Storage Fund follows the recent joint venture with Capital Realty in October 2008 and the strategy of seeking to draw on the local expertise in specific real estate markets. The Fund, established by Invista Real Estate Investment Management Limited ("Invista" / the "Company"), the largest listed real estate fund manager in the UK, has raised equity to invest in the Asia Pacific region, with an initial focus on Japan, Hong Kong and Singapore.

For more information on Invista Real Estate or the funds it manages visit [www.invistarealestate.com](http://www.invistarealestate.com).

Issued by Invista Real Estate Investment Management Limited. Registered office, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA. Registered in England and Wales. Registered number 04459443. Authorised and regulated by the Financial Services Authority.