Invista Foundation Property Trust

Quarterly Factsheet
30 September 2008

INVISTA REAL ESTATE INVESTMENT MANAGEMENT

Key highlights

- Net Asset Value ('NAV') of 80.3 pence per share
- Interim dividend of 0.88 pence per share paid on 21 November 2008
- £50 million of debt repaid in October 2008, reducing annual interest payments from £14.7 million to £12.0 million
- Recent disposals reduced the previously overweight position in Central London Offices
- Average Lease length increased from 7.7 to 8.7 years and overall void rate reduced from 4.6% to 3.8%

Key statistics

	30/09/2008 (£m)*	30/06/2008 (£m)	3 month change (£m)
Direct property independent valuation	442.305	530.775	(88.470)
Valuation of sales	–	(56.269)	–
Capital expenditure during the quarter	–	0.668	–
Like-for-like direct property	442.305	475.174	(32.869)
Joint venture investments	–	5.337	(5.337)
Market value – of on balance sheet interest rate swap	(4.358)	6.800	(11.158)
Net current assets	87.237	47.191	43.317
On-balance sheet loan	(259.888)	(259.733)	–
Net Asset Value	265.296	330.370	(61.803)
Net Asset Value per share (pps)	80.300	94.200	(12.900)

*Prior to the disposal of Victoria Plaza, Bolton for £10m.

INVESTMENT OBJECTIVE

To provide shareholders with an attractive level of income together with the potential for income and capital growth from investing in UK commercial property.

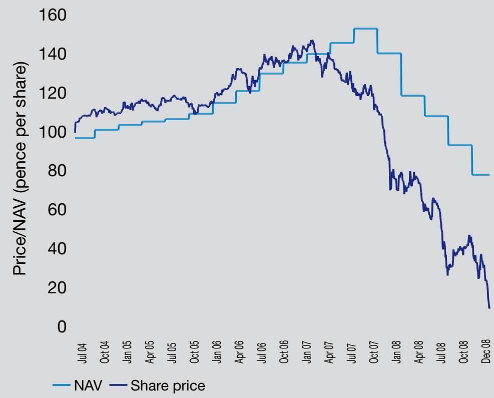
COMPANY PERFORMANCE OVERVIEW

Net Asset Value – As at 30 September 2008 the Company's NAV was 80.3 pence per share ('pps'), reflecting a decline of 13.9 pps or 14.7% over the quarter. The impact of marking to market the Group's interest rate swaps reduced the NAV by £11.2 million, representing 3.3 pps or 3.5%. An interim dividend of 0.88 pps was paid on 21 November 2008 in respect of the period 1 July 2008 to 30 September 2008.

Portfolio Value – The Company's property portfolio was valued at £442.3 million as at 30 September 2008. Since the quarter end a retail property in Bolton has been sold for £10 million. The property portfolio now comprises 65 assets with an average lot size of £6.7 million, generating £28.3 million from 237 tenants. The like-for-like fall in the capital value of directly held properties over the quarter was -6.9%. Including the Net Asset Value of joint venture investments, the like-for-like fall was -8.0%. This compares with -5.2% and -9.0% respectively for the quarter ending 30 June 2008.

Property Performance Relative to IPD Peer Group – The IPD Monthly Index reported a capital value fall of -6.2% for the quarter to 30 September 2008. This reflects a peak to trough capital value fall since July 2007 of -24.3%. UK commercial property has generated a negative total return of -18.1% over the 12 months to September 2008.

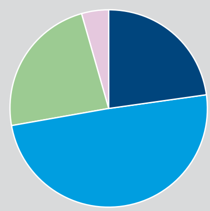
NAV and Share Price



Source: Datastream, CISX

Portfolio structure

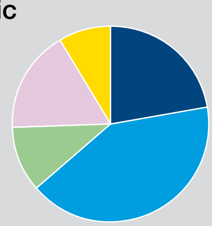
Sector



Retail	22.9%
Offices	49.4%
Industrial	23.4%
Other	4.3%

As at 30 September 2008 post sale of Bolton

Geographic



Central London	22.3%
South East excl. Central London	41.4%
Rest of South	11.0%
Midlands and Wales	16.9%
North and Scotland	8.4%

As at 30 September 2008 post sale of Bolton

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Since September 2008 values have continued to fall and the peak to trough fall in the IPD Monthly Index at the end of October had increased to -27.5% with a -20% total return for the preceeding 12 month period.

Market Outlook – The comprehensive action taken by the UK authorities to address weaknesses in the balance sheets of major UK banks has had a stabilising effect but acute risks remain in the financial system. The tightening supply of credit and expectations of further valuation falls have reduced liquidity and increased forced selling. As financial market problems affect the wider economy and economic growth slows, the UK commercial property market is likely to face increasing risk of tenant failure. However, the slowdown has led to a sharp fall in inflation expectations which has, in turn, led to a large reduction in base rates and gilt yields. Although the reduction in interest rates is led by concerns over economic growth, lower interest rates should help the commercial property market recover in the longer term as the positive yield gap between borrowing costs and property yields widen.

ASSET MANAGEMENT HIGHLIGHTS

Transactions – Following the asset disposals totalling £47.3 million announced in July 2008, further disposals totalling £22 million have now been completed. In July 2008, following the negotiation of a lease extension which increased the rent by 24%, a retail property in Ipswich was sold for £2.5 million reflecting a net initial yield of 5.75%. The Quadrant industrial estate in Bristol was sold in August 2008 for £9.5 million reflecting a net initial yield of 7.5%. Since the September 2008 valuation Victoria Plaza in Bolton has been sold for £10 million reflecting a net initial yield of 7%. Further disposals are being considered.

Active Asset Management – At Minerva House, London SE1, where the Company has a 50% share, as part of granting consent to a lease assignment from law firm Reed Smith to law firm Winckworth Sherwood, a five year lease extension from eight years to 13 years has been secured at a total annual rent of £663,000 per annum.

Two further significant asset management development transactions have completed since the end of September 2008. 106 Oxford Road, Uxbridge, a 40,000 sq ft office building, has been let on a 15 year lease to the Buckinghamshire New University for £900,000 per annum with five yearly fixed rental uplifts of 2.5% per annum compound. The tenant receives a £2 million contribution to fit out and benefits from 38 months at half rent commencing in March 2009. Secondly, following extensive negotiations the Company has unconditionally exchanged contracts with Mott MacDonald Limited ('Mott') to take a new 15 year lease on 61% of Victory House, a prime office building in Brighton. Mott previously occupied the entire building at a rent of £1.3 million per annum with a break option in June 2009. The transaction secures £944,000 per annum to Mott and leaves 32,000 sq ft to be refurbished and let with a rental value of £717,000.

Finance – As at 30 September 2008 the Group had securitised on-balance sheet debt of £263.5 million fully hedged against interest rates until 2014 at a total cost of funds of 5.58%. As previously announced and as part of the strategic review the Company re-paid £50 million of debt in October 2008 resulting in total on-balance sheet debt of £213.5 million. Cancelling the proportionate part of the interest rate swap cost an additional £915,000. Following the debt repayment and the disposal of Bolton the Company will have a loan to value ratio net of all cash, of 37.5%.

Share Buy-backs – Since the strategic review in July 2008 the Company has acquired and cancelled 27.3 million shares for £11.4 million reflecting an average price of 42 pps.

10 largest holdings	Value (£m)	%
National Magazine House, London W1	43.4	9.8
Portman Square House, London W1 (21.6% share)	28.4	6.4
Minerva House, London SE1 (50% share)	24.3	5.5
The Galaxy, Luton	18.4	4.2
Victory House, Trafalgar Place, Brighton	17.4	3.9
Reynard Business Park, Brentford	16.3	3.7
Retail Park, Churchill Way West, Salisbury	13.3	3.0
Union Park, Fifers Lane, Norwich	12.7	2.9
Olympic Office Centre, Fulton Road, Wembley	12.5	2.8
The Gate Centre, Brentford	12.3	2.8
Total as at September 2008	**198.9**	**45.0**

10 largest tenants	Annual Rent (£)	%
The National Magazine Company Limited	2,508,690	8.1
Mott MacDonald Limited(1)	1,307,148	4.2
Cushman & Wakefield Finance Limtied(2)	1,183,617	3.8
Wickes Building Supplies Limited	1,092,250	3.5
Synovate Limited(3)	950,000	3.1
The Buckinghamshire New University(4)	900,000	2.9
The British Broadcasting Corporation	850,100	2.7
Recticel SA	713,538	2.3
Winckworth Sherwood LLP(5)	663,095	2.1
Motorhouse 2000 Limited(6)	570,150	1.8
Total as at September 2008	**10,738,588**	**34.6**

(1) Rent will fall to £949,000 per annum in June 2009 following surrender and granting of new lease over Ground to third floors (approx. 61% of orginal space)
(2) Following settlement of June 2008 rent review
(3) Following expiry of rent free period in June 2009
(4) £450,000 per annum following expiry of rent free period in March 2009 and will increase to full rent in May 2012
(5) On assignment from Reed Smith Rambaud Charot LLP. Figures based on 50% owership of Minerva House
(6) Six month rental deposit held

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