

# Invista Foundation Property Trust Limited

Quarterly Factsheet – 30 June 2009



FOR INVESTMENT PROFESSIONALS ONLY

## Key Highlights

- Net Asset Value ('NAV') of 43.1 pence per share
- Interim dividend payment of 0.88 pence per share to be paid 7 August 2009
- Loan-to-value ratio of 44% against a covenant of 60%
- Significant cash funds resulting in a strong financial position

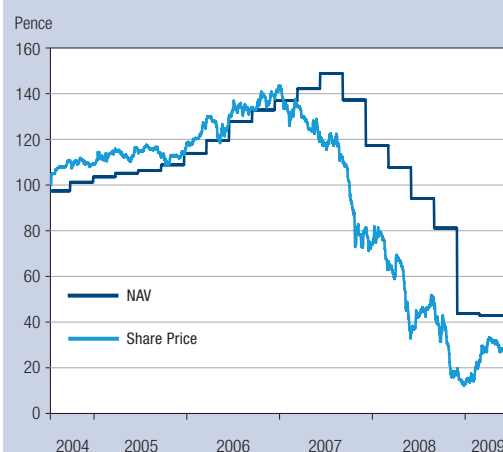
## Investment Objective

Invista Foundation Property Trust aims to provide shareholders with an attractive level of income together with the potential for income and capital growth from investing in UK commercial property.

## Key Statistics

	30/06/2009 £m	31/03/2009 £m	3 month change £m	3 month change %
Direct property independent valuation	296.1	308.1	(12.0)	(3.9)
Valuation of sales	–	(2.6)	–	–
Capital expenditure during the quarter	–	0.5	–	–
Like-for-like direct property	296.1	306.0	(9.9)	(3.2)
Joint venture investments	0.0	0.0	–	–
Market value – of interest rate swap	(22.1)	(30.8)	8.7	28.3
Net current assets	75.8	76.8	(1.0)	(1.3)
On-balance sheet loan	(210.4)	(210.2)	(0.2)	(0.1)
Net Asset Value	139.4	141.8	(2.4)	(1.7)
Net Asset Value per share (pps)	43.1	43.8	(0.7)	(1.6)
Net Asset Value per share – excluding swaps (pps)	49.9	53.3	(3.4)	(6.8)

## NAV and Share Price (since inception)



Source: Thompson Datastream and Invista, as at 30 June 2009.

## Company Performance Overview

### Net Asset Value

As at 30 June 2009 the Company's NAV was £139.4 million or 43.1 pence per share ('pps'). This reflects a 0.7 pps or 1.6% decline compared with the NAV as at 31 March 2009. The Company also announced an interim dividend of 0.88 pps in respect of the period 1 April 2009 to 30 June 2009. The dividend payment will be made on 7 August 2009 to shareholders on the register on 24 July 2009. The ex-dividend date will be 22 July 2009. The underlying property portfolio fell by £9.9 million or -3.2% on a like-for-like basis over the quarter and this was broadly off-set by a £8.7 million increase in the marked to market value of the Company's interest rate swaps.

### Transactions

Following the disposal of National Magazine House, London W1 in April 2009 for £31.4 million, negotiations concerning the possible second part payment linked to the outstanding rent review are continuing. This is capped at £2 million and is dependent on a third party settlement and therefore not included in the NAV of the Company. Further selective disposals may be considered where business plans have been completed.

Significant asset management activity is ongoing across the portfolio with the objective of maintaining and, where possible, enhancing income. The portfolio void rate as a percentage of the independently assessed rental value has increased from 5.2% in March 2009 to 8.6% in June 2009 compared with the IPD Benchmark of 11.1%. The Company's void rate increases to 10.8% if tenants in administration but paying rent are taken into account. 2.4% of the increase between March 2009 and June 2009 was due to that fact that the Company's largest tenant, Mott MacDonald, recently released 40% of the space they occupy at Victory House in Brighton. This followed last year's beneficial lease restructuring whereby its lease break option in June 2009 was removed in exchange for a new 15-year lease on their remaining space at a rental that increased 20% on a like-for-like basis. Letting the vacant space at Victory House which as at 30 June 2009 has a rental value of £685,000 per annum is a priority. The Brighton lease extension, together with other positive activity has increased the average unexpired lease term to 8.8 years.

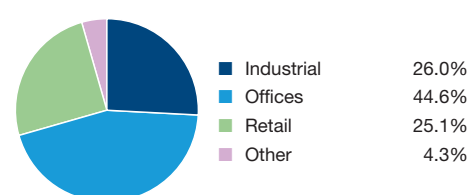
### Property Portfolio and Performance

The Company's direct property portfolio is valued at £296.1 million and comprises 60 assets with an average lot size of £4.94 million. The portfolio valuation reflects a net initial yield of 7.5%, increasing to 7.9% following expiry of rent free periods during calendar 2009. The net reversionary yield of the portfolio is 9.06%.

## Portfolio Structure

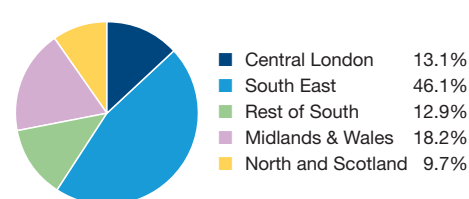
### Sector Split by Valuation

As at 30 June 2009



### Geographical Spread by Valuation

As at 30 June 2009



The source for all figures throughout this factsheet is Invista and IPD unless otherwise stated.

## Company Performance Overview (continued)

### Market Background

The pace of capital value decline in the UK commercial property market continues to slow, with the Investment Property Databank ('IPD') Monthly Index confirming that average UK commercial property fell by -4.7% over the quarter to June compared with -8.9% over the quarter to March, resulting in a calendar year to date decline in capital values of -13.2%. Falling rents are having an increasing impact on capital declines, contributing -5.6% towards the capital value decline of -13.2% over the year to date compared with -1.8% and -20.3% respectively for the second half of 2008. As a result of these capital value declines, UK commercial property now offers a historically high yield premium over UK gilts and we expect that values should stabilise over the remainder of 2009. Despite this positive trend we do not expect to see a strong short term recovery. This is due to two principal factors, further rental declines caused by amongst other things, falling Gross Domestic Product and the risk that banks will force disposals of distressed property.

### Finance and Strategy

#### Finance

On 10 July 2009 the Company announced a proposed discounted tender offer through which it was seeking to potentially commit up to £55 million towards the repayment of its principal securitised debt that is listed and trades at a discount to par value. A successful outcome had the potential to enhance the Company's NAV and dividend cover as well as reducing the Company's net loan to value. Unfortunately, following negative responses from a number of listed debt holders the proposal was withdrawn on 4 August 2009. Consequently the Company intends to redeem the notes at maturity in July 2013.

The Company has significant cash funds resulting in a strong financial position, which provides for significant operational flexibility. The Company was not seeking to make any changes to the covenants of the loan facility and does not intend to in the future. As at 30 June 2009, the Company had a loan to value ratio, net of all cash totalling approximately £80 million, of 44% against a covenant of 60%. As at the same date, the interest cover ratio calculated in accordance with the loan agreement is 181% against a covenant of 150%.

Amount (£)	Fixed Rate	Margin	Total Interest Rate	Expiry	Market to Market 30/06/2009 (£)	Market to Market 31/03/2009 (£)
102,500,000	5.099%	0.20%	5.299%	15/07/2014	(8,162,514)	(11,703,275)
111,000,000	5.713%	0.20%	5.913%	15/07/2016	(13,914,894)	(19,126,572)
213,500,000	5.420%		5.622%		(22,077,408)	(30,829,847)

#### Strategy

Looking forward, the Company believes that it is well positioned. The pace of capital value decline in the UK commercial property market continues to slow, and the cash held by the Company provides it with a number of strategic options. The Company remains focussed on pro-actively asset managing the portfolio to protect and ultimately enhance its capital value and income.

### 10 Largest Holdings by Value<sup>1</sup>

Location	Value (£)	Weighting
Minerva House, Montague Close, London SE1 <sup>2</sup>	21,000,000	7.1%
Portman Square House, 43/45 Portman Sq, London W1 <sup>3</sup>	17,710,000	6.0%
Victory House, Trafalgar Place, Brighton	16,000,000	5.4%
The Galaxy, Luton	12,500,000	4.2%
Reynard Business Park, Brentford	12,000,000	4.1%
Retail Park, Churchill Way West, Salisbury	10,750,000	3.6%
106 Oxford Road, Uxbridge	10,000,000	3.4%
Olympic Office Centre, Fulton Rd, Wembley	9,300,000	3.1%
The Gate Centre, Syon Gate Way, Brentford	9,250,000	3.1%
Union Park, Fifers Lane, Norwich	8,100,000	2.7%
<b>Total (as at 30 June 2009)</b>	<b>126,610,000</b>	<b>42.7%</b>

<sup>1</sup> Independent valuation, 30 June 2009, post contracted disposals.

<sup>2</sup> Figures based on 50% ownership of Minerva House.

<sup>3</sup> Figures based on 21.6% ownership of Portman Square House.

### 10 Largest Tenants by Income<sup>1</sup>

Tenant/Group	Rent per annum (£)	Weighting
Cushman & Wakefield Finance Ltd	1,183,617	4.7%
Wickes Building Supplies Ltd	1,092,250	4.3%
Synovate Limited <sup>1</sup>	950,000	3.8%
Mott MacDonald Ltd	940,000	3.7%
The British Broadcasting Corporation	918,250	3.6%
The Buckinghamshire New University <sup>2</sup>	900,000	3.6%
Recticel SA	713,538	2.8%
Winkworth Sherwood LLP <sup>3</sup>	663,095	2.6%
Motorhouse 2000 Ltd <sup>4</sup>	570,150	2.3%
Tucker, Crossland Darke (Irwin Mitchell)	555,000	2.2%
<b>Total (as at 30 June 2009)</b>	<b>8,485,900</b>	<b>33.6%</b>

<sup>1</sup> Aegis Group plc are guarantor. Figures based on 50% ownership of Minerva House.

<sup>2</sup> The Buckinghamshire New University began paying 50% of their rent equating to £450,000 per annum from March 2009 and will increase to £900,000 per annum in June 2012.

<sup>3</sup> On assignment from Reed Smith Rambold Charot LLP. Figures based on 50% ownership of Minerva House.

<sup>4</sup> Six month rental deposit held.

### Further Information and Contacts



Visit our website  
[www.ifpt.co.uk](http://www.ifpt.co.uk)

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**Invista Real Estate Investment Management**  
Duncan Owen / Nick Montgomery  
**Telephone: 020 7153 9300**

**Northern Trust**  
David Sauvarin  
**Telephone: 01481 745529**

**Financial Dynamics**  
Dido Laurimore / Rachel Drysdale  
**Telephone: 020 7831 3113**

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Ref: inv-398.