

Date: 7 November 2013  
On behalf of: First Property Group plc ("First Property", "the Company" or the "Group")  
Embargoed: 0700hrs

## **First Property Group plc**

### **Further investment in Blue Tower, Warsaw**

First Property Group plc (AIM: FPO), the property fund management group, is pleased to announce it has increased its ownership in Blue Tower, an office building located in Warsaw's central business district. Blue Tower is held as a subsidiary within "Group Properties".

Under the terms of the acquisition, the Group has acquired a 19.7% interest in Blue Tower from PKO Bank Polski S.A., together with its 22.3% interest in the tower's management company, CORP S.A. The Group now owns 48.2% of Blue Tower and 90% of CORP SA.

The acquisition price of €5.23 million was satisfied by the payment of €1.7 million in cash with the balance funded by a non-recourse bank loan. Forecast earnings from this investment amount to circa €460,000 per annum, equating to an annualised pre-tax rate of return on equity invested of approximately 27% per annum. Following this transaction, the Directors estimate that the blended pre-tax rate of return on equity of the Group's 48.2% share of Blue Tower will be approximately 38% per annum.

BWW Law & Tax Firm advised First Property on the transaction.

Commenting on the acquisition, Ben Habib, Chief Executive of First Property Group plc, said:

"Part of our strategy when we first acquired an interest in Blue Tower was to increase our ownership in it and its management company, CORP S.A.. This acquisition gives us more or less total control of the management function and is a big step towards taking full control of the building itself.

"Blue Tower is located in a prime part of Warsaw and should continue to attract tenants seeking a superior location at cost effective rents."

**-Ends-**

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**Notes to investors and editors:**

First Property Group plc is a property fund manager with operations in the United Kingdom and Central Europe. Its business model is to:

- Raise third party funds to invest in property;
- Co-invest in these funds and thereby earn a return on its own capital invested; and
- Earn fees for the management of these funds. Fees earned are a function of the value of assets under management as well as the performance of the funds.

The investment performance of its funds under management in Poland and in Central Europe has again been ranked No.1 versus the Investment Property Databank (IPD) universe for Central & Eastern Europe (CEE), now for the seven years to 31 December 2012. The Group's performance had previously been ranked No.1 versus the IPD CEE universe over the three, four, five and six years to 31 December 2008, 2009, 2010 & 2011 respectively.

First Property Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Further information about the Company and its products can be found at: [www.fprop.com](http://www.fprop.com).