

Date: 07 January 2016  
On behalf of: First Property Group plc ("First Property", "the Company" or the "Group")  
Embargoed: 0700hrs

**First Property Group plc**  
**New investment by the Group in Romania**

First Property Group plc (AIM: FPO), the property fund manager and investor, announces that it has, in conjunction with a club of investors, acquired a portfolio of nine regional Lidl supermarkets in Romania at a cost of €10.5 million. The net operating income being generated by the properties is currently €1.16 million per annum, equating to a yield on purchase costs of around 11% per annum. The weighted average unexpired lease term of the portfolio of properties exceeds seven years.

The investment was part funded by equity of approximately €4 million, of which the Group invested €1 million, pari passu with other investors. The remaining equity was invested by a family office and other third parties.

The forecast annual pre-tax profit from the investment is circa €720,000 per annum, of which the Group's share would be circa €180,000 per annum, equating to a pre-tax rate of return on equity of around 18% per annum.

The Group will, in addition, earn management fees of some €100,000 up-front and €125,000 per annum.

The balance of the funding required, of €6.5 million, was provided by the Group as a bridging loan with a view to this being refinanced by a bank in the next few months. Terms for the refinancing of the Group's bridging loan have been agreed with a bank and the bank loan is currently being documented. The bridging loan by the Group was made on terms broadly equivalent to those agreed with the bank, including an interest rate of 4.95% per annum.

The cash position of the Group following this investment amounts to just over £8.5 million. This will rise to over £13 million once its bridging loan has been repaid.

Commenting on the new investment, Ben Habib, Group Chief Executive, said:

"I am very pleased by the investment made by our clients and ourselves in this portfolio of Lidl supermarkets. Lidl is a leading retailer in Romania with a stated intention to grow its business in the country and these supermarkets are well located for their purpose."

**-Ends-**

**For further information please contact:**

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**Notes to Investors and Editors:**

First Property Group plc is a property fund manager and investor with operations in the United Kingdom and Central Europe. Its earnings are derived from:

- Fund management - via its FCA regulated and AIFMD approved subsidiary, First Property Asset Management Ltd (FPAM), which earns fees from investing for third parties in property:
  - Management fees are levied by reference to the value of properties under management;
  - Performance fees are levied where appropriate, usually payable upon realisation of profits above an agreed hurdle.
- Group Properties - principal investments by the Group, to earn a return on its own capital, usually in partnership with third parties.

FPAM funds have ranked No.1 versus the Investment Property Databank (IPD) Central & Eastern Europe (CEE) universe for the annualised periods from the commencement of its operations in Poland in 2005 to the end of each of the years between 31 December 2008 and 31 December 2014.

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).