

Date: 31 March 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 Poland**

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 new shopping centre in Świnoujście, northern Poland, at a total cost of €24.08 million. The net operating income being generated by the property is currently €1.89 million per annum, equating to a net yield of 7.85% per annum. The weighted average unexpired lease term is 4.5 years.

The investment was part funded by a bank loan of €17.50 million and equity of approximately €7.09 million, of which the Group invested €2.00 million, pari passu with other investors. The remaining equity was invested by a family office, a University of Cambridge college, and other clients of First Property.

The investment is forecast to earn a pre-tax profit of €1.25 million per annum, of which the Group's share, which will be accounted for as an associate, will be €353,000 per annum. This equates to a pre-tax rate of return on equity invested of 17.65% per annum.

The Group will earn ongoing management fees of circa €235,000 per annum. In addition it will earn an arrangement fee of €235,000.

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 new shopping centre in Poland. It is well located, well designed and well let at rent levels that offer room for growth."

-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.