

Date: 20 December 2016
On behalf of: First Property Group plc ("First Property", "the Company" or the "Group")
Embargoed: 0700hrs

First Property Group plc **Update: Shipbuilding Industries Pension Scheme (SIPS)**

First Property Group plc (AIM: FPO), the property fund manager and investor, is pleased to announce that the fund management mandate given to it in January 2015 by SIPS, is now 95% invested following the recent exchange of contracts to purchase a portfolio of supermarkets and a retail warehousing scheme in Southampton. Completion of these purchases will take place later this week. The SIPS fund will then be invested in twenty four properties at a cost of £160.7 million, producing an annualised yield after management charges of 6.3%.

Total funds under management by the Group will amount to £457 million, an increase of 13% since 30 September 2016.

Ben Habib, Chief Executive, said:

"I am delighted that the SIPS fund is now substantially invested and that it is producing an income return of 6.3% per annum; a very high yield in a close to zero interest rate environment.

"Opportunities to invest well in the commercial property market have increased since the referendum in June, and we are pleased to have capitalised on these so quickly. We remain bullish about prospects for the UK and its property market and hope to be announcing additional fund mandates very soon."

-Ends-

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Notes to Investors and Editors:

First Property Group plc is an award winning property fund manager and investor with operations in the United Kingdom and Central Europe. Around one third of the shares in the Company are owned by management and their families.

Its focus is on higher yielding commercial property with sustainable cash flows. The company is flexible and takes an active approach to asset management. 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. FPAM currently manages nine funds which are invested across the United Kingdom, Poland and Romania. FPAM funds rank No.1 versus MSCI's Investment Property Databank (IPD) Central & Eastern Europe (CEE) universe for the ten years from the commencement of its operations in Poland in 2005 to 31 December 2015, and for the annualised periods from 2005 to the end of each of the years between 31 December 2008 and 31 December 2015.
- Group Properties - principal investments by the Group, to earn a return on its own capital, usually in partnership with third parties. Investments include eleven directly held properties in Poland and Romania (including five held by Fprop Opportunities plc [FOP], in which the Group is currently the majority shareholder), and interests in six other funds managed by FPAM.

Listed on AIM the Company has offices in London and Warsaw. Further information about the Company and its products can be found at: www.fprop.com.