



OAKTREE



Press Release

11 August 2014

HERMES REAL ESTATE CONFIRMS SALE OF THREE MEPC MIXED USE PARKS

Hermes Real Estate has exchanged on the sale of three MEPC mixed use parks for £430 million at an initial yield of 7.3 per cent. Funds managed by Oaktree Capital Management, L.P. ("Oaktree") and Patrizia Immobilien will take ownership of the three parks in the South East, North West and Scotland: Chineham Park in Basingstoke, Birchwood Park in Warrington and Hillington Park in Glasgow.

Chris Taylor, CEO of Hermes Real Estate and Chairman of MEPC said: "We are delighted to confirm the sale of these three relatively mature estates, which have been well managed by the MEPC team for many years, at a point in the cycle when we are seeking to redeploy capital and invest into estates that will benefit from what we regard as the emerging growth sectors of the UK economy."

MEPC will continue to manage four business parks including the £500 million technology park at Silverstone. In addition, MEPC will manage the continued expansion of Milton Park with its globally recognised biotechnology occupier base and competitive status within the dynamic Oxford-Cambridge 'Technology Arc'. MEPC has also commenced development at Wellington Place, Leeds reflecting the strength of occupier demand for well-located regional city centre offices.

Chris Taylor continued: "Through our top-down approach to investment we will seek to capitalise upon the MEPC team's proven ability to identify future occupational demand drivers and look to reposition the



portfolio to ensure we capture future economic growth, which we expect to be sustained by three of today's key investment themes associated with technology, globalisation and urbanisation.”

Rob Brook of Patrizia Immobilien said: “This considerable acquisition adds three high quality assets to our expanding UK-wide portfolio. Each of the three parks provide significant development opportunities within growing regional markets, which, working alongside Oaktree, we aim to maximise over the next few years through additional investment and asset management initiatives.”

James Dipple CEO of MEPC added: “This is a significant moment in the life of MEPC. Over our many years of stewardship, we have created a market leading portfolio by consistently meeting the changing needs of occupiers and delivering high quality working environments. We are confident the assets will continue to develop and grow under the new ownership and management. MEPC is already embracing new challenges at the remaining four parks within our portfolio and delivering material changes to large management intensive properties with a focus on meeting the needs of modern businesses in the technology and business services sector.”

Hermes Real Estate was represented by JLL, while Strutt & Parker and Ryden acted on behalf of Oaktree and Patrizia Immobilien.

-ENDS-

For further information, please contact:

HREIML

Clare Hartshorne
Redwood Consulting

clare@redwoodconsulting.co.uk
+44 (0)20 7828 5553
+44 (0) 7515 050 335

PATRIZIA

Andreas Menke
Group Head of Corporate Communications
Tel.: +49 (0) 821 5 09 10-655
andreas.menke@patrizia.ag

Notes to Editors:

Hermes Fund Managers

Hermes is focused on delivering superior, sustainable, risk adjusted returns for our clients – responsibly.



We believe in **Excellence, Responsibility** and **Innovation**

- **Excellence:** We aspire to excellence in everything we do. This manifests itself most visibly in our investment performance. We will only offer products to our clients where we believe there is a strong investment thesis and where we can deliver sustainable alpha.
- **Responsibility:** We believe it is our responsibility to lead discussion and debate about the fiduciary responsibilities of fund managers to our clients, their stakeholders and, ultimately, society at large. We have always sought positive engagement with the firms in which we invest.
- **Innovation:** We have the entrepreneurial culture to identify forward-looking products that meet those needs, along with the resources and speed-to-market mentality to develop them rapidly.

Our structure provides wholesale, institutional and pension fund clients globally the benefit of access to a broad range of specialist, high conviction investment teams operating within an established and robust operating platform.

Hermes' investment solutions include:

- **Fixed Income:** Inflation-Linked, Government Bonds, Investment Grade, High Yield
- **Alternatives:** Commodities, Hedge Fund Solutions, Infrastructure, Private Equity
- **Equities:** Global, Emerging Markets, Small & Mid Cap, Europe, Asia Ex Japan
- **Real Estate:** Segregated, Unitised, Debt, UK, US Residential, European

Hermes manages assets on behalf of more than 200 clients* across these investment areas with £27.4 billion* assets under management. In Hermes Equity Ownership Services, we have one of the largest engagement resources in the industry, advising on more than £108.6 billion* of assets.

*Please note the total AuM figure includes £3.6bn of assets managed or under an advisory agreement by Hermes GPE LLP ("HGPE"), a joint venture between Hermes Fund Managers ("HFM") and GPE Partner Limited. HGPE is an independent entity and not part of the Hermes group. £0.4bn of total group AuM figure represents HFM mandates under advice. Source: Hermes as at 30 June 2014.

MEPC

MEPC has been a prominent name in UK commercial property for more than 60 years, with an outstanding track record of responsible property management and development of large Business Estates. Throughout our history, we have succeeded in applying the same principles of sustainability to our relationships with our customers, investors, employees and local communities alike. The result is value that everyone can share.

PATRIZIA Immobilien AG

With more than 700 employees in over ten countries, PATRIZIA Immobilien AG has been active on the real estate market as both an investor and service provider for 30 years. PATRIZIA's range includes the purchase, management, value increase and sale of residential and commercial real estate. As a recognized business partner of large institutional investors, the Company operates in Germany and other countries and covers the entire value chain in the real estate industry. At present, the Company manages real estate assets worth more than EUR 13 billion, primarily as co-investor and portfolio manager for insurance companies, pension fund institutions, sovereign wealth funds and savings banks. For additional information, please visit www.patrizia.ag.

Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$91.1 billion in assets under management as of June 30, 2014. The firm emphasizes an opportunistic, value-oriented and risk controlled approach to investments in distressed debt, corporate debt (including high yield debt and senior loans), control investing, convertible securities, real estate and listed equities. Headquartered in Los Angeles, the firm has over 850 employees and offices in 16 cities worldwide. For additional information, please visit Oaktree's website at www.oaktreecapital.com.

