



Press Release

20 August 2014

HERMES REAL ESTATE SELLS FESTIVAL LEISURE PARK TO VALAD EUROPE

Hermes Real Estate has completed the sale of Festival Leisure Park, Stoke to the Valad European Diversified Fund for £14.5 million, reflecting a net initial yield of 7 per cent.

The 130,000 sq ft property comprises a two storey leisure box constructed in 1988, which is currently used as a ten screen cinema (Odeon), and a bowling alley (Tenpin). Adjacent to the A53, with 420 car parking spaces, the site is part of the largest retail and leisure district in the Stoke conurbation.

Chris Taylor, CEO of Hermes Real Estate, said: "This sale is another milestone for Hermes Real Estate as we continue our portfolio diversification strategy through refocusing towards our core investments. We will continue to maximise returns through asset disposal at the right time in the market cycle."

David Kirkby, Valad Europe's Chief Investment Officer, commented: "This is the second leisure park we have acquired so far for the Valad European Diversified Fund and follows the acquisition of Five Ways Leisure Park in Birmingham earlier this month. Following the recent doubling of VEDF's investment capacity to £800 million, we continue to target good quality buildings with strong credit tenants and are prepared to take on leasing and repositioning risk, where appropriate."

Lunson Mitchenall and MBH LLP represented Hermes Real Estate, while Valad Europe was represented by John Miles & Co.

-ENDS-

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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.

Valad Europe

Valad Europe is a leading independent diversified real estate investment manager with a network of local offices throughout Europe, managing c. €4.5 billion of investment and development assets across 22 mandates.

Valad Europe manages 500 assets comprising approximately 4.5 million square metres. Its core business is value-adding real estate investment management with local asset management teams taking care of 4,000 tenant customers.

Valad has 215 people in 22 offices in 13 countries across Europe.

Valad Europe is a private, independent company, wholly aligned to our investor and banking partners. Valad Europe is owned by its management team, along with a number of private and institutional shareholders.

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