

## NAV as at 30 June 2015 and Quarterly Update

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### Ediston Property Investment Company plc

#### NAV as at 30 June 2015 and Quarterly Update

Ediston Property Investment Company plc (LSE: EPIC) (the "Company") announces its Net Asset Value for the quarter ended 30 June 2015.

#### Quarter 3 Highlights

- Three properties acquired during the period for total of £33.1 million (net of acquisition costs).
- Fair Value independent valuation of the property portfolio as at 30 June 2015 of £123.65 million, a like-for-like increase of 4.9 per cent on the valuation at 31 March 2015, (ignoring the properties acquired during the period).
- New letting in Edinburgh to Capita Business Services Limited for 15 years at an annual rent equating to £676,136 (£25.14/sq ft).
- Total dividends paid in the quarter of 1.375 pence per share.
- NAV per share at 30 June 2015 of 104.60 pence, an increase of 1.99 per cent on the Company's NAV as at 31 March 2015.

#### Post period end

- On 10 July 2015, announced that the Initial Placing and Offer for Subscription had raised gross proceeds of £35.92 million through the issue of 33,263,931 Ordinary Shares at 108.0 pence per share.

#### Net Asset Value

The Company's unaudited NAV per share as at 30 June 2015 was 104.60 pence. As at 30 June 2015, the Company owned investment properties with a Fair Value of £123.65 million, representing a like-for-like increase of 4.9 per cent, and had cash and cash equivalent balances of approximately £17.2 million. The large majority of these funds has been allocated to expected portfolio acquisitions.

The unaudited NAV of the Company at 30 June 2015 was £99.37 million, equivalent to 104.60 pence per share, an increase of 1.99 per cent on the Company's NAV as at 31 March 2015:

	Pence Per Share	£ million
<b>NAV at 31 March 2015</b>	<b>102.56</b>	<b>97.43</b>
Transaction costs on acquisitions during the period	(1.99)	(1.89)
Valuation uplift in property portfolio	4.43	4.21
Income earned for the period	1.64	1.56
Expenses for the period	(0.67)	(0.64)
Dividend paid in the period	(1.37)	(1.30)
<b>NAV at 30 June 2015</b>	<b>104.60</b>	<b>99.37</b>

The NAV attributable to the ordinary shares has been calculated under International Financial Reporting Standards. It incorporates the independent portfolio valuation as at 30 June 2015 and income for the quarter, but does not include a provision for any accrued dividend.

### **Portfolio activity**

During the quarter, the Company completed three acquisitions totalling £33.1 million. It purchased an office building in Bath, a B&Q Extra retail warehouse in Coatbridge, Glasgow, and a multi-let retail warehouse park in Daventry. The properties offer a number of opportunities for the investment adviser to implement its particular style of asset management in order to enhance the Company's income profile and returns.

There has been further success with the letting of the vacant office accommodation within the portfolio. The ninth floor at St Philips Point in Birmingham has been let to Accountancy Action Limited, leaving only two of the nine floors unoccupied. Accountancy Action Limited has taken the 1,800 sq ft floor at a rent of £24.00 per sq ft per annum on a five-year lease without a break clause.

The largest void in the portfolio was also let during the quarter, with Capita Business Services Limited leasing the entire 26,894 sq ft property at 145 Morrison Street in Edinburgh. Capita has taken a 15-year lease without a break clause at an annual rent of £676,136.

The letting success has seen the Company's void rate reduce from 19.00 per cent to 8.00 per cent. These voids have been largely covered by rental guarantees which will remain payable during rent free periods granted as part of the lettings. Around 80 per cent of the remaining unlet property is covered by rental guarantees.

### **Gearing**

On 6 May 2015, EPIC (No.1) Limited, a wholly-owned subsidiary of the Company, entered into a ten-year, £40 million secured term loan agreement with Aviva Commercial Finance Limited. The loan, which has been fixed at an interest rate of 3.09 per cent for its duration, is secured over the Company's existing property portfolio.

### **Dividends**

Three dividends of 0.4583 pence per share each were paid in April, May and June 2015, in respect of the three months ended 31 May 2015. The cumulative amount paid in the quarter was, therefore, 1.375 pence per share. Post quarter-end, a further dividend of 0.4583 pence per share was declared for the month to 30 June 2015. Shareholders on the register at close of business on 10 July 2015 will be entitled to this dividend, which will be paid on 31 July 2015.

In the absence of unforeseen circumstances, the Board intends to continue paying monthly dividends of 0.4583 pence per share, implying an annualised dividend yield of 5.5%, calculated by reference to the Company's issue price of 100p per share at launch.

### **Post period end equity issuance**

On 9 June 2015, the Company announced an Initial Placing, Offer for Subscription and Placing Programme, allowing the Company to issue up to 150 million new Ordinary Shares in aggregate.

On 10 July 2015, the Company announced that the Initial Placing and Offer for Subscription had raised gross proceeds of £35.92 million through the issue of 33,263,931 Ordinary Shares at a price of 108.0 pence per Share, a 2.65 per cent premium to the unaudited net asset value of 105.21 pence per share as at 19 June 2015.

The Company has the ability through the Placing Programme to issue up to 116,736,069 Ordinary Shares (in respect of 6,736,069 of which pre-emption rights have been disapplied) throughout the period from 14 July 2015 to 22 June 2016; and the Company also has a general authority from its shareholders to issue a further 9,500,000 Ordinary Shares by way of a tap on a non pre-emptive basis, such authority expiring at the conclusion of the Company's next annual general meeting, or 24 June 2016, whichever is sooner.

Further details of the Placing Programme are contained in the Company's prospectus dated 23 June 2015 which is available on the Company's website ([www.ediston.com/epic](http://www.ediston.com/epic)).

### **Total Voting Rights**

As at today's date, the Company's issued share capital consists of 128,263,931 Ordinary Shares of one pence each. The total number of voting rights in the Company is 128,263,931, and this figure may be used by shareholders as the denominator for the calculations by which they should determine, if they are required to notify their interest in, or change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

### **Next Valuation**

The next independent quarterly valuation of the property portfolio will be conducted by Knight Frank as at 30 September 2015 with the NAV per share at the same date announced in October 2015.

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### **Notes to Editors**

Ediston Property Investment Company plc is a UK real estate investment trust (REIT) with a premium listing on the Main Market of the London Stock Exchange. The Company invests in UK commercial real estate assets to achieve its objective of providing its shareholders with an attractive level of income together with the potential for capital and income growth. It invests principally in three commercial property sectors: office, retail (including retail warehouses) and industrial, without regard to a traditional property market relative return benchmark. The Company will seek to acquire assets which offer (or have the potential to offer) a secure income stream, with unexpired terms in line with the market average, secured against good covenants. It will typically target assets which have a net initial yield in excess of 6.5 per cent., although it may hold assets with a lower net initial yield if there are portfolio benefits.

The Company launched in October 2014 with the acquisition of an initial £76.7m diversified portfolio of UK commercial properties.

Portfolio management services are undertaken by Ediston Properties Limited, which currently manages property assets across the UK for institutional investors.

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