

Ediston Property Investment Company plc

Net Asset Value ("NAV") as at 31 December 2016

Ediston Property Investment Company plc (LSE: EPIC) (the "Company") announces its unaudited NAV as at 31 December 2016.

Quarter highlights

- NAV per share at 31 December 2016 of 108.31 pence (30 September 2016: 107.07 pence), an increase of 1.16%, resulting in an NAV total return (including dividends) of 2.4% for the quarter
- Fair value independent valuation of the property portfolio as at 31 December 2016 of £182.74 million, a 0.73% increase on the valuation at 30 September 2016
- EPRA void rate decreased to 3.9% (30 September 2016: 4.7%)
- The valuation increase and EPRA void rate decrease were driven by successful asset management initiatives
- Annualised dividend yield of 5.24% based on annual dividends per share of 5.5 pence and share price of 104.88 pence (31 December 2016)
- 500,000 shares issued at 109.00 pence per share during the quarter

Net Asset Value

The Company's unaudited NAV per share as at 31 December 2016 was 108.31 pence. As at 31 December 2016, the Company owned investment properties with a fair value of £182.74 million and had cash and cash equivalent balances of approximately £10.92 million.

The unaudited NAV of the Company at 31 December 2016 was £139.46 million, or 108.31 pence per share, an increase of 1.16% on the Company's NAV as at 30 September 2016:

	Pence Per Share	£ million
NAV at 30 September 2016	107.07	137.33
Valuation increase in property portfolio	1.03	1.33
Capital expenditure in the period	(0.04)	(0.05)
Income earned for the period	2.34	3.01
Expenses for the period	(0.73)	(0.93)
Dividends paid in the period	(1.37)	(1.77)
Equity raised in the period	0.01	0.54
NAV at 31 December 2016	108.31	139.46

The NAV attributable to the ordinary shares has been calculated under International Financial Reporting Standards (“IFRS”); the EPRA NAV is not reported separately in this update as it is the same as the IFRS NAV.

The NAV incorporates the independent portfolio valuation as at 31 December 2016 and income for the quarter, but does not include a provision for any accrued dividend.

Void rate reduced and St Philips Point Birmingham 100% let

The EPRA void rate has fallen to 3.9% (September 2016: 4.7%) as a result of AXA Insurance UK plc (AXA) leasing the eighth floor at St Philips Point in Birmingham, on a lease which expires in 2021. AXA now occupies five floors in the building, totalling around 33,000 sq. ft. This letting results in the property being 100% let, to a mix of office and retail tenants.

The Investment Manager is working on a number of other asset management initiatives which we believe will improve the portfolio’s income stream and capital value.

Outlook

Property remains an attractive investment proposition given its level of income return compared to other asset classes. The property market has repriced and stabilised in the six months following the EU referendum, with willing buyers and sellers transacting deals in the marketplace. The Investment Manager believes that attractive buying opportunities will continue to appear as Brexit proceeds and the Company would like to capitalise on them when they do, to further enhance the property portfolio.

Portfolio Composition

Sector

Sector	Exposure
Office	57.76%
Retail warehouse	36.68%
Other commercial	5.56%

Geography

The portfolio is diversified across the regional markets and has no exposure to Central London assets.

Sector	Exposure
North East	12.10%
North West	1.70%
West Midlands	18.28%
South West	2.60%
Scotland	15.43%
South East	11.63%
Yorkshire	10.73%
East Midlands	6.59%
Wales	20.94%

Dividends

The Company paid a dividend of 0.4587 pence per share in October and two dividends of 0.4583 pence per share each in November and December 2016, in respect of the three-month period ended 30 November 2016, resulting in a cumulative dividend payment for the quarter of 1.3753 pence per share. 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 as set out in its October 2014 prospectus.

The dividend is now fully covered as a result of the completion of the investment of the Company's available equity and debt, and through the implementation of asset management initiatives.

Calum Bruce, Investment Manager, commented:

"We have been working hard to identify and execute asset management opportunities to help the Company grow. Through understanding the occupational needs of our tenants we have achieved 100% occupancy at St Philips Point in Birmingham, which has improved the Company's income stream and capital value. We hope this can be enhanced further as other asset management opportunities are completed".

Forthcoming events

The next scheduled independent quarterly valuation of the property portfolio will be conducted by Knight Frank as at 31 March 2017 with the NAV per share at that date expected to be announced in April 2017.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014). Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

Enquiries

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