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Henderson and Centurion secure 42% Valuation Uplift and 96% Occupancy Rate at Bretby Business Park, Derbyshire

The Henderson UK Property Fund, and its joint venture partner Centurion Properties, have secured a substantial uplift in the valuation of Bretby Business Park, near Burton-Upon-Trent, as a result of two major new lettings. The pair have signed leases for a total of 173,000 sq ft of warehouse, laboratory and office space to two existing tenants, of which 105,000 sq ft relate to lease renewals, and 68,000 sq ft to new accommodation, representing significant further investment in the business park by both tenants.

The lettings improve Bretby's valuation by 42% over the third quarter valuation as at 30 September 2009, and take the occupancy level at the business park to over 96%.

The lettings significantly reduce the Henderson UK Property Fund's vacancy rate, which was clearly identified as a priority by Cameron Fraser when he took over the management of the fund in May 2009. Since then, the Fund's void rate has reduced from 26% to 16% (of which 4.2% is attributed to an asset in Borehamwood that has been exchanged for sale).

Environmental Services Limited, the largest provider of geo-environmental investigation and testing services in the UK, and a subsidiary of 3i Plc, has expanded its office and laboratory accommodation within Bretby by 28,000 sq ft to 98,000 sq ft, taking two additional office buildings on 15 year leases. At the same time it has renewed its existing lease on 70,000 sq ft of space.

Hi Tech Fabrication, a specialist metal fabricator, has taken occupation of a newly constructed 40,000 sq ft warehouse and office unit, as well as regearing existing leases on its 35,000 sq ft facility at the business park.

In addition, Henderson and Centurion have scope for further development at Bretby, some of which already has planning consent, and the pair are now exploring the market for pre-lets.

Bretby Business Park is a former British Coal research facility owned in joint venture by Henderson Global Investors' UK Property Fund and Centurion Properties. Centurion acts as both development manager and asset manager for the joint venture. The park is one of the largest mixed use business parks in the Midlands, and comprises a total of 330,000 sq ft of office, laboratory and industrial accommodation let to roughly 75 tenants. The park also includes a 40 bedroom hotel and conference centre that is managed by a Centurion subsidiary.

Cameron Fraser, Fund Manager of the Henderson UK Property Fund said: *"These two lettings at Bretby are great news for the Henderson UK Property Fund as they clearly show that our hard work in asset managing the portfolio is bearing fruit. They also underline the fact that occupiers are still in the market for new space at well located properties managed by experienced and responsive landlords.*

“The Fund performed well in 2009 and, whilst we remain cautious about the outlook for UK economy as a whole, we are quite optimistic about the Fund’s prospects for the coming year. The completion of these and other smaller transactions have significantly reduced the Fund’s vacancy rate and had a positive effect on its distribution yield. We plan to grow assets under management throughout 2010, further enhancing returns through active asset management, including proposals for accommodation at Bretby, and intelligent acquisitions.”

Julian Rooth, Chief Executive of Centurion Properties said: *“We are very proud of what we have achieved at Bretby. In a demanding occupational market we have increased net income five-fold since purchase four years ago and delivered a return to our investor of 28% on further investment since acquisition, with plenty more to go for. It just goes to show what really attentive asset management of the right asset can achieve.”*

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About Henderson Property

Henderson is a leading property asset manager with around £8.8 billion (€9.6 billion)* of property funds under management across Europe, Asia and the US. The property team comprises over 180 staff based in offices across Europe, Asia and the US. The company has offices in London, Frankfurt, Milan, Paris, Amsterdam, Vienna, Luxembourg, Madrid and Singapore and Chicago. It also has additional asset management capabilities through a joint venture in Hamburg.

The property business manages pooled and segregated accounts which invest in properties offering core and value-added returns. In addition to investing across all commercial sectors, the property business also manages funds with sector specialist and/or regional themes. Henderson’s property business includes a market-leading research capability. Twice yearly the in-house research team carries out analysis and forecasts for over 800 local markets across Europe.

www.henderson.com/property

About Henderson Global Investors

Established in 1934, Henderson Global Investors is a leading independent global asset management firm. The company provides its institutional, retail and high net-worth clients with access to skilled investment professionals representing a broad range of asset classes, including equities, fixed income, property and private equity. Headquartered in London, Henderson is one of Europe’s largest investment managers, with £57.7 billion (€63.1 billion)* assets under management and employs around 940 people world-wide.

* as at 30 September 2009