

PRESS RELEASE



22nd July 2013

SWIP forward funds Reef in Cambridge Premier Inn development

Reef Estates Limited has agreed a full forward funding, with clients of SWIP (Scottish Widows Investment Partnership) for a new 121 bed Premier Inn hotel in Cambridge.

Reef acquired the site of the former Intercell House at the junction of Newmarket Road and Coldham's Lane in 2011, obtained planning for the 121 bed hotel with restaurant, bar and car parking and pre-let the scheme to Premier Inn for their second hotel in Cambridge.

Premier Inn has committed to a 25 year lease at an average room rate of £5,750 per annum. SWIP agreed to fund the scheme at a yield of 5.50%.

Works on site have commenced and the hotel will open in June 2014.

Stewart Deering, Director, Reef Estates commented: "Reef is delighted to have completed this funding agreement with SWIP and to continue our excellent relationship with Whitbread. We have undertaken several developments with Premier Inn as a pre-let and will imminently commence construction on schemes for them in Winchester and Eastbourne"

Commenting on the acquisition, Calum Bruce, Senior Investment Manager at SWIP, said "This acquisition ideally fits the fund strategy to acquire well let investments in prime locations. We are very pleased to have been able to secure this opportunity and looking forward to seeing the finished hotel next year"

Reef Estates was represented by MP Real Estate and Savills, whilst the purchaser was represented by Joiner Cummings.

-Ends-

For more information, please contact:

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MP Real Estate is a firm of Chartered Surveyors whose principal focus is delivering expert advice and results to their clients.

Areas of expertise are in development and investment agency across all property sectors with a focus on business space, retail and leisure.

A fully integrated advisory service is provided to landlords, developers, occupiers and investors encompassing capital markets, development, agency and asset management.

About SWIP

- SWIP's ultimate parent is Lloyds Banking Group, one of the largest financial services groups in the UK.
- SWIP has a geographically diverse client base with alliances and clients in the UK, across Europe, USA and Japan.
- SWIP is one of the UK and Europe's largest fund managers with £149.3.bn funds under management (Source: Internal, as at 31 March 2013).
- SWIP has a broad client base, managing assets for pension funds, charities, local authorities, life funds, unit trusts, OEICs, off-shore funds and specialist funds across all major asset classes.
- SWIP is authorised and regulated by the Financial Conduct Authority and is entered on their register under number 193707 (www.fca.gov.uk).
- Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact nor should reliance be placed on these views when making investment decisions. Past performance is not a guide to the future.