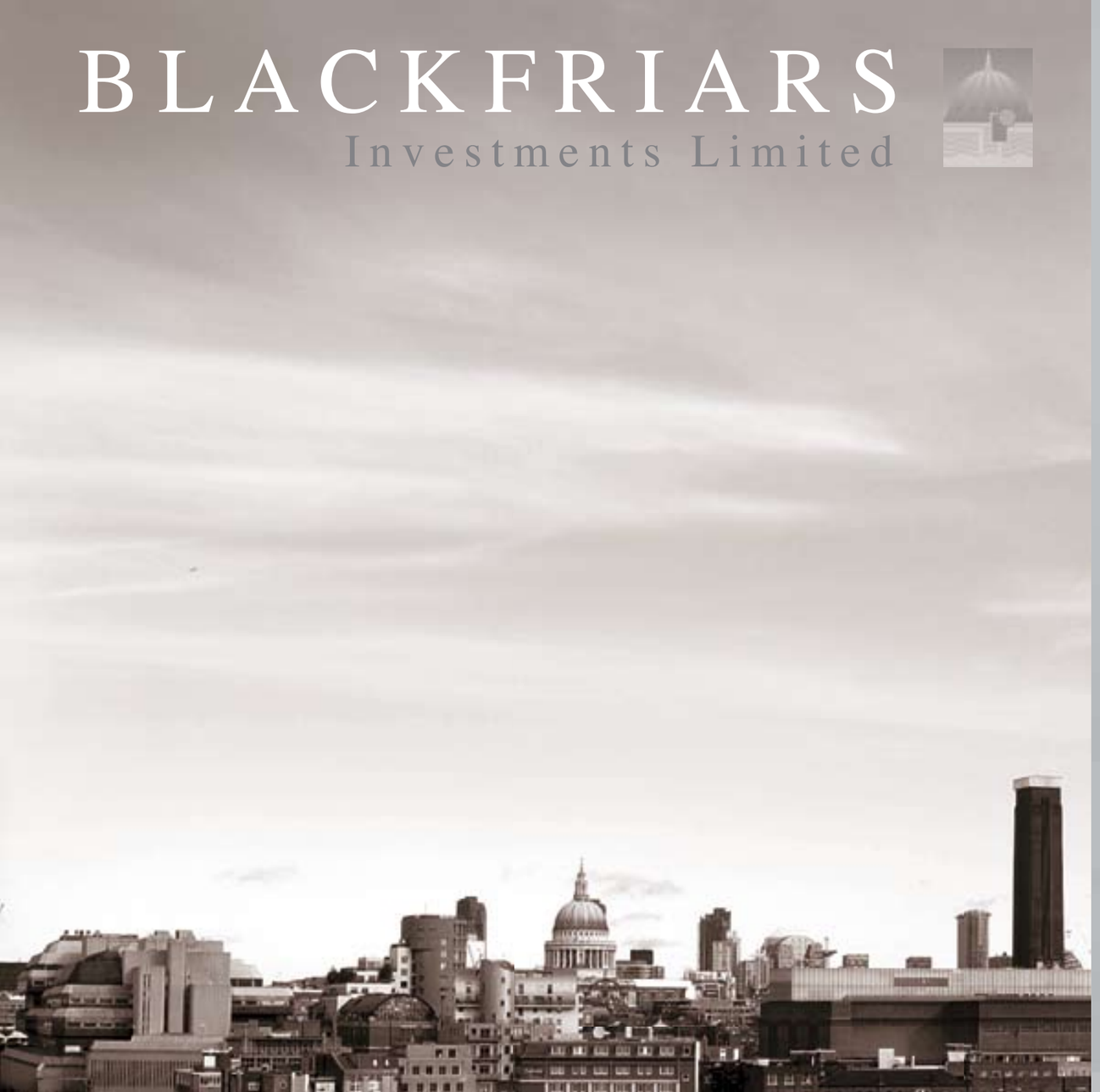
BLACKFRIARS

Investments Limited



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The Mission

Strategy

The management team at Blackfriars Investments has been carefully formed to create the ideal blend of experience and initiative. It is committed to achieving not only maximum income yield, but also creating outstanding overall returns by concentrating on enhancing the capital value of each and every one of the real estate holdings it manages on behalf of its investors. In realising that overall returns are maximised only through constant attention to releasing underlying latent value via refurbishment, change of use, improved planning consent, redevelopment, active asset management, effective financing and the timing of entry and exit, the team seek to make every asset perform to its maximum capability.

Regeneration

The team has evolved over the ten years since its formation and is now specialising in town centre regeneration. Blackfriars Investments is considered to be at the forefront in obtaining planning consents in extremely difficult situations, hence enhancing values and thereby offering investors super profits.

Local Knowledge

The team has a clear appreciation of the benefits and risks of gearing in enhancing the overall return performance of each asset, and pays close attention to both the systematic risk in the United Kingdom, the United States and the world economy, and the specific risk of investing in particular assets in London and the South East. Local knowledge is the sine qua non of effective investment in UK real estate, and the team have an intimate familiarity with the sophistication and complexity of the UK market, and a precise appreciation of the importance of the legal, planning and technical aspects of successful investment and development in this market.

Great Partners

Blackfriars Investments pride themselves on being great joint venture partners, forming special partnerships for specific projects. The versatile and flexible way in which the team works has proved to be very valuable to many institutions, banks, insurers and developers. These unique partnerships result in a particularly resourceful force in this demanding market.

The Team

Malory Clifford

Chief Executive

Malory has had over three decades of experience in the property industry. In this time he has covered most fields, including commercial, residential, leisure and hotels, and is one of the foremost real estate entrepreneurs of his generation. He has spearheaded many high profile and controversial projects through to a successful conclusion.

He is Chief Executive of Blackfriars Investments Limited. His main strengths are property related law, corporate law, offshore taxation, planning and finance. All these areas engage him on a daily basis.

Above all, he is responsible for new policy and investment strategy, to ensure that the timing of acquisitions and disposals are correct and that new markets and opportunities are sought, keeping the company at the head of the market.

As principal, he brings to the position hands-on knowledge of the subject matter, and this has resulted in the company being extremely well respected amongst both its competitors and professional firms throughout the property market.

Stuart Bailey

Investment and Development Director

Stuart graduated BA English from University College, London in 1980. After working with a number of real estate agencies including respected London firm Chesterton, he became acquisitions and sales director for developer Berkley House plc in 1986 and then with private investor/developer, Manywell Heights Limited, 1987-95.

Since forming Blackfriars with Malory Clifford in 1995, Stuart has brought to bear his twenty years of experience to concentrate on the acquisition of investment, and more especially, development opportunities in London and the South East. His responsibilities also include asset management and enhancement, forming and controlling project teams of out-sourced professional firms to achieve planning consent, and directing letting and sales and campaigns.

In 2004 Stuart also took responsibility for overseeing Mermaid Conference and Events Limited at the former Mermaid Theatre at Puddledock. Having invested well over £1M in the facility in the last year, Blackfriars aims to double the turnover of this business in the next eighteen months so as to ensure its investment in the property asset is maximized during a difficult phase in the commercial office market. By achieving such a turnover, profit from this business will provide a viable alternative to redevelopment and enhance the value of the property.

Nicolas Wright

Finance Director

Nick graduated BA (Hons) Business Studies from Hatfield Polytechnic in 1984 and after training with a chartered accountancy firm moved into commerce in 1988 working for ERA Group plc. He became finance director for all four of its distribution companies, having responsibility for overall financial control and other commercial aspects.

He was invited to join Blackfriars Investments in March 2000 to bring his financial control experience to the business. Nick is also responsible for dealing with all the financial and tax planning issues associated with buying and selling the various assets managed by the business including special purpose vehicles and properties. He also assists with the debt financing of existing and new business. Nick is also the finance director for the Mermaid Conference and Events Ltd and has been assisting in growing that business to maximise the investment in the property asset.

Nigel Balchin

Strategic Asset Management

Nigel graduated BSc Estate Management from Leicester Polytechnic in 1979. He then worked in the estate management department of Gooch Wagstaff between 1979 and 1982. There he was involved in the day-to-day management of mixed portfolios on behalf of a number of institutional/property company clients. These included Electricity Supply Nominees, The Royal National Pension Fund for Nurses, Haslemere Estates, Wimpey, and Hill Samuel. Nigel worked for Allied London Properties plc between 1982 and 2000 where he was responsible for industrial, retail and office investments, latterly concentrating on the Blackfriars & Allied London Joint Venture, M25 Orbital Limited Partnership.
Nigel was invited to join Blackfriars Investments in 2000 and has continued to manage the property portfolio, operating in a hands-on management style to extract maximum value. He is closely involved with each tenant to ensure that vacancies are minimised.

Alethea Siow

Head of Structured Finance

Alethea graduated from University College, London with an LLB in 1987. She qualified as a Solicitor in England and Wales in 1990 and in Hong Kong in 1991. Prior to her joining Blackfriars Investments she was a Senior Solicitor in the banking department of international law firm Dechert. When at Dechert she advised Blackfriars Investments on all financing aspects of their transactions.

Her experience covers a wide range of financing matters, including bilateral and syndicated facilities, management buy-outs, acquisition finance and complex structured financings, in particular property related transactions.
She was invited to join Blackfriars Investments in 2002 where she has been dealing with raising debt and equity finance and the structuring and legal elements of their transactions.

Alethea is a member of the Board of Dominion Housing Group, incorporating Acton Housing Association, a London based housing association with one of the largest development programmes in South East England.

Elaine Spraggan

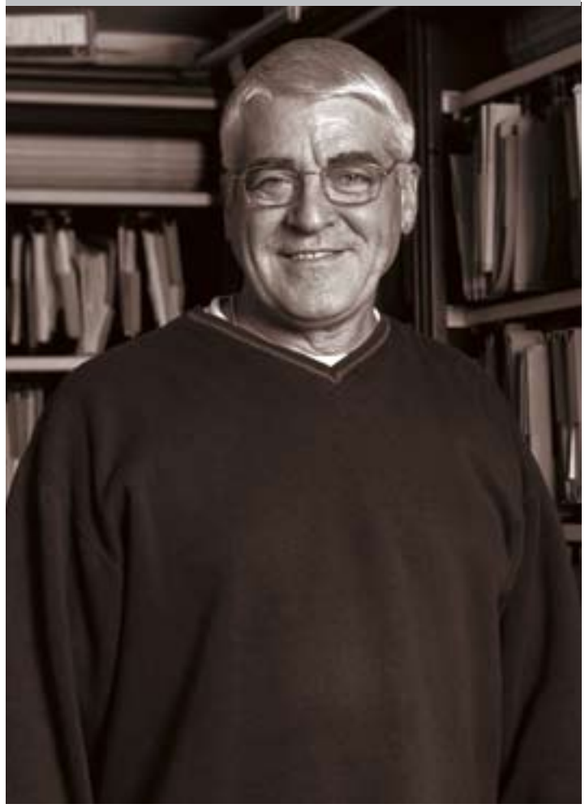
Personal Assistant

Elaine joined the company in 2001. She is personal assistant to the directors and ensures the smooth running of the company on a day-to-day basis.

Jim Peaker

Facilities Manager

Jim has been working with the team for many years and became employed by the company when it formed in 1995. His responsibilities include general office maintenance and tending to the company's large collection of tropical fish.



Gary Payne

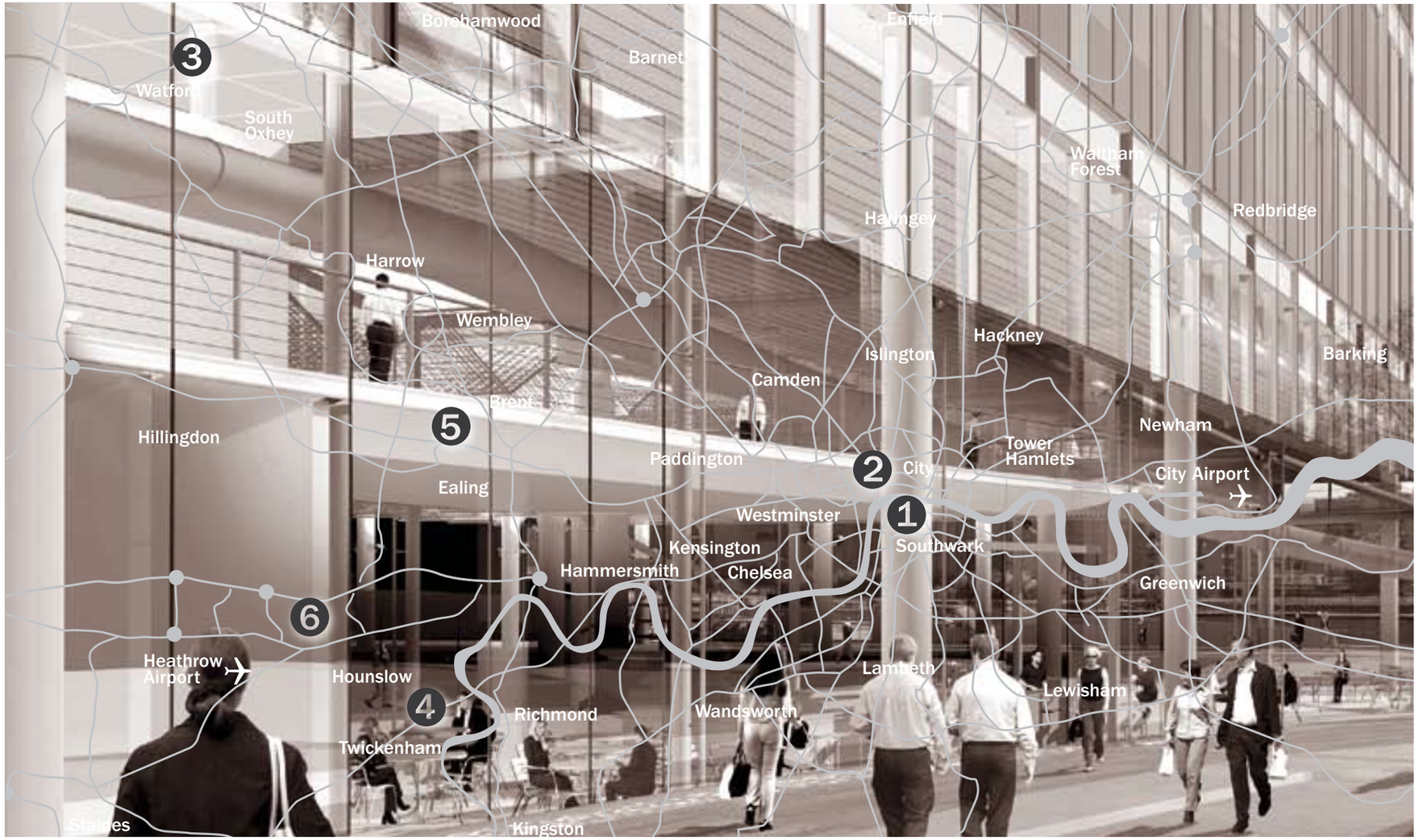
Transportation Manager

Gary joined the company in 2002 and is responsible for keeping the company on the move.

The Mermaid Conference and Events Team

Portfolio

Capital Projects



The portfolio of properties managed by the company, which was recently substantially reduced after a profitable disposal program, reflects strategic investment advice focused on the acquisition and asset management of properties with certain important characteristics and potential.

1	Southwark	Palestra, Gambia Street
2	Blackfriars	1 Puddledock, 2 Puddledock, The Mermaid
3	Watford	Iveco Ford House
4	Twickenham	Regal House
5	Ealing	Westec
6	Hounslow	Falcon House, Pacific House, Atlantic House

Location

Location is of prime importance. All buildings in the portfolio are situated in town or city centre locations in Greater London, around the M25, or the South East, with a linking emphasis on transportation. Accessibility to the motorway system and the public transport infrastructure is considered a particular asset, with buildings often sited in close proximity to London Underground or mainline railway stations.

Character

The character of the local area is an important factor. Buildings are often located near high-street retail, leisure and cultural facilities.

Potential

The potential of a property is the main focus. The company strives to maximise opportunities for investment return through the redevelopment or development of unutilised land at each property and/or to carry out major refurbishment to maximise value by finding the correct use to achieve this.

Teamwork

For Blackfriars Investments, each project is unique and the company is constantly exploring new approaches, from new-build, to refurbishment, to business development. For each project, unique teams are formed. The company works with a number of the most respected professional firms in their fields, including Dechert, Gordon Ingram Associates, Alsop Architects, Buro Happold, Sectorlight Sutton Young, CBRE and DTZ to name but a few.

Southwark

South Central

Typical meeting room

Aerial view looking to the west

Palestra

Blackfriars Road, Southwark

Blackfriars Investments is in the process of completing on time and on budget, the largest speculative development in London in the last two years. In August 2001 an agreement was signed to form a limited partnership between Royal London Mutual Insurance Limited, a major British institution and a company managed by Blackfriars Investments, to speculatively develop Palestra for retention as an investment.

This cutting-edge, high specification office building is designed by the international and award-winning firm Alsop Architects. The building will comprise of 300,000 sq ft (27,800 sq m) across eleven storeys of practical and flexible working space.

With spectacular views across Central London, this project is radically transforming the local area, midway between the City and the West End, now known as South Central. South Central is poised to become London's third city along with Westminster and the Square Mile. Leading that regeneration is Palestra.

London Eye

Tate Modern

The Baltic

London Imax Cinema

Location, Location, Location…

The location for this important office development was selected on the basis of the strategic advice of Blackfriars Investments. Located directly opposite the Jubilee Line Southwark station the building is ideally positioned for the London Underground. It is also within one kilometre of both Waterloo and Blackfriars mainline railway stations with further Underground, Thameslink and International connections. The building is located in a thriving area, within walking distance of such major cultural institutions as the Tate Modern gallery, the Globe theatre and the South Bank arts complex.

The area offers an abundance of entertainment and leisure facilities, including cinemas, shops, theatres and health centres. Gastronomically, Palestra is ideally located with the culinary delights of Borough Market a short stroll away and a plethora of stylish bars and restaurants in the immediate vicinity.

The building is due to be completed in 2006.

www.palestra-london.com

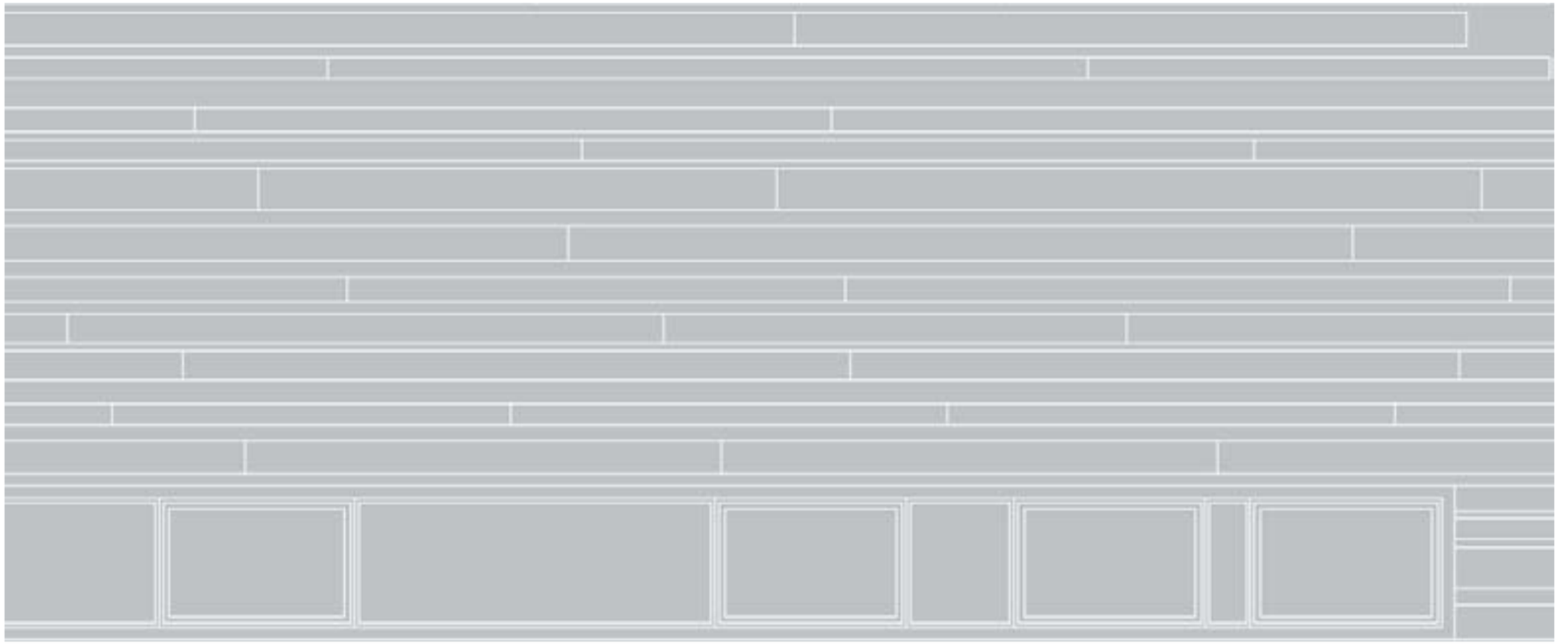
Southwark Station

Gambia Street

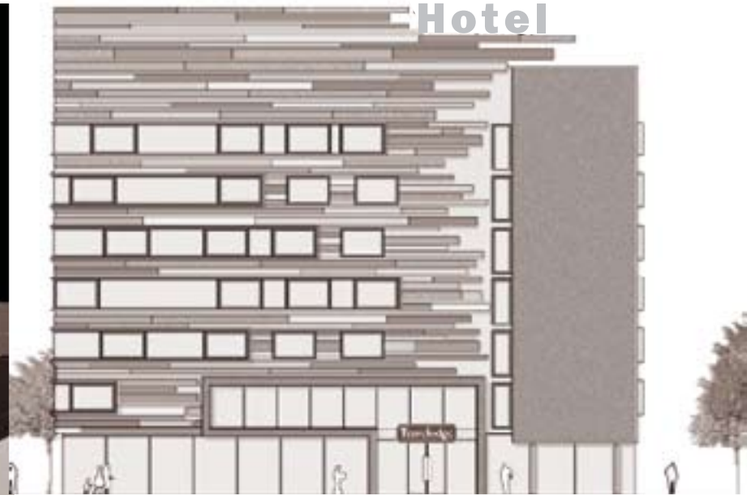
The right scheme

Blackfriars Investments are constantly exploring different ways of maximising assets. The site at Gambia Street, adjacent to the Palestra development is a good example.

Displaying a typically flexible approach, Blackfriars Investments made the unconventional decision to develop a six-storey hotel on the site instead of the originally planned forty-five-storey residential tower. Although the total floor plan would be considerably less, Blackfriars Investments chose the latter scheme after close analysis of income yields.



Alsop's scheme for Gambia street site



Blackfriars

Moving with the times

1 Puddledock

Queen Victoria Street,
Blackfriars

This building is let long term to accountants KPMG. The property interest is part of a complex ownership structure that includes Network Rail and Hammerson plc. It is envisaged that there may be an opportunity in the future to redevelop this property and thereby enhance its investment potential if KPMG decides to terminate its lease, as the building is integral to Blackfriars station that will be a crucial part of Thameslink 2000 rail improvement project.

2 Puddledock

Queen Victoria Street, Blackfriars

This prime site is located within the City of London on the north bank of the Thames adjacent to Blackfriars Thameslink station and Blackfriars tube station (District and Circle Lines). Blackfriars station is part of the Thameslink 2000 development by Railtrack. It plans to rebuild the station to run up to 25 through trains per hour and eventually link all three of London's international airports.

Planning permission for this spectacular HQ office project, designed by Alsop Architects, has been granted. The building will provide unique floor-plates of over 50,000 sq feet, ideal as open plan trading floors and/or cellular offices, and benefits from extensive views of the river.

The Mermaid

Conference and Events Centre

Puddledock,
Queen Victoria Street,
Blackfriars

The building was acquired in 1995. After achieving a complex planning consent for total redevelopment in 2004, actively responding to the slump in tenant demand since 9/11 and the consequent delay imposed by this on the redevelopment strategy, Blackfriars Investments sought to maximise the investment potential of the Puddledock property asset in alternative ways. After researching these, it was determined that investment in upgrading the existing Mermaid buildings and the small Conference and Events business they had been running since 1998, offered the best cost/benefit opportunity for asset enhancement.

As a result over £1M has been invested during 2003/4 and the Conference and Events business re-launched in October 2004. The consistent demand for conferences, meetings and events in the City and Central London can now be satisfied with a full service including top-line catering. The Mermaid's spectacular 600 seat auditorium and river-view function rooms now play host to a distinguished clientele of Corporate, Association and Public Sector customers as well as BBC Radio 2 and 4 live events, among others.

To support this major business, Blackfriars Investments oversees a dedicated 12 strong team of industry professionals delivering exceptional service standards. As part of the development of this business and in line with the active asset management approach, Blackfriars Investments made a further major planning application in December 2004 to double the function areas available at the Conference Centre and convert Mermaid House, the adjacent office building, into a linked 120 room hotel.

THE MERMAID EC4
CONFERENCE & EVENTS CENTRE

www.the-mermaid.co.uk

Watford

Developing the potential

Iveco Ford House

Station Road, Watford

The property consists of 2 linked air conditioned office towers of 4 and 7 storeys respectively with the benefit of covered parking for 262 cars.

The property is let in its entirety to Iveco Ford Truck Limited. The building is located directly above Watford Junction Rail station, 18 miles north west of Central London, and a few miles from both the M25 and the M1 Motorways.

Watford Junction Regeneration

Realising the development potential adjacent to the property, Blackfriars Investments will seek to maximise assets through this regeneration project. Recognizing the local need for affordable housing and responding to the area's strategic location not only as a major rail transportation hub but also on major routes into Central London, plans have been revealed to transform the immediate area into a 'new mini town' with housing, leisure facilities, a medical centre, a hotel and a school.

Twickenham

Taking off in West London

Eel Pie Island (five minutes walk from Regal House)

River Thames (five minutes walk from Regal House)

Regal House

London Road, Twickenham

This prominent office building is ideally situated for national and international communications. Not only is the building particularly convenient for access to both Heathrow Airport and Central London, it is in a part of Greater London which combines the city's amenities with a unique rural atmosphere.

Twickenham is famous for its picturesque location near the river Thames and its vicinity to major recreation grounds such as at the Rugby Stadium.

Regal House occupies a prominent location on the east side of London Road in the centre of Twickenham, with its wide range of shopping and leisure facilities. Twickenham British Rail Main Line station is immediately adjacent to the property and provides a frequent rail service to London Waterloo (35 minutes). This line is routed via Richmond where immediate connections to the London Underground network are available.

regal house

www.regalhousetw1.co.uk

Twickenham Regeneration

Regal GB Partnership, which owns Regal House, is a joint venture between Glebe Holdings, founded by David Phillips and a company managed by Blackfriars Investments. It is currently investigating the potential of the Regal House property to form part of a larger masterplan to include Twickenham Station and possibly the Post Office site adjacent. Fletcher Priest Architects are formulating a scheme that would open up an important riverside opportunity, form a new station with enhanced facilities for coping with Twickenham Stadium matchdays, as well as providing enhanced access to Twickenham High Street.

As part of this Regal House would undergo remodeling or redevelopment as a mixed-use retail/residential/office scheme which will yield enhanced investment returns for the Partnership. Regal GB Partnership envisages a planning application in the near future.

Ealing

A different point of view

Westec

Westgate Road W5

As the new Wembley stadium approaches completion, the views from Westec benefit from looking over London's newest icon.

Managed by Blackfriars Investments, the extensive refurbishment of this 1980s office block has resulted in its transformation into a successful hive of business activity.

This highly specified property benefits from extensive on site facilities ranging from car parking to a Beauty Room, Cafes to a Gymnasium. The building also offers a bespoke business centre, supplying leases on flexible office space to small businesses.

The building is located adjacent to Hanger Lane Underground station (Central Line) on the junction of the A40 and A406 (North Circular), 7 miles from Central London, 12 miles from Heathrow Airport, and 11 miles from junction 16 of the M25 Motorway.

www.westecw5.co.uk

Hounslow

Three in a row

Hounslow is located 10 miles west of Central London with easy access along the Central Line Underground network from Hounslow Central station which is a 2 minute walk away. It is also particularly well positioned for access to Heathrow Airport which is only 3 miles away. Its vibrant town centre has an array of shops, restaurants and various amenities. Blackfriars Investments manages the letting of these three impressive buildings that are located adjacent to one another on a large site, within a few hundred yards from the town centre. Blackfriars Investments are keen to investigate the potential of their properties from every angle and to allow their projects to evolve in the longer term. Realising the value of the site as a whole, massing studies and planning studies are being carried out to ascertain possible development potential. Alternative uses in addition to the existing are being explored including possible residential, office use, retail and leisure use.

Falcon House

115 - 123 Staines Road, Hounslow

This impressive building has as its main tenant First Rate Travel Services Limited, a joint venture between The Post Office Limited and the Bank of Ireland Group, on a 15 year lease.

Pacific House

125 - 135 Staines Road, Hounslow

This 26,000 sq ft building is presently fully let. However, the sole tenant has confirmed its intention to vacate the building at the end of its lease and Blackfriars Investments are in discussions with the undertenant in relation to expansion of its requirements and also considering an opportunity of placing a business centre on one of the floors.

www.pacific@theoceans.co.uk

Atlantic House

141 - 149 Staines Road, Hounslow

This 46,000 sq ft building has been let to a single tenant who will be vacating the premises shortly on the expiration of its lease. Blackfriars Investments shall be investigating alternative uses in addition to seeking to let the building on a single or multi let basis.

www.atlantic@theoceans.co.uk

Endorsements

Over the past ten years, Blackfriars Investments has forged close working relationships with a number of front rank and highly respected funders, architects and advisers. They have provided financial resources, architectural services, legal and professional real estate advice, wherever appropriate. Here is what a selection of them says:

Royal London Asset Management

"I am delighted to be involved in a close working relationship with the team at Blackfriars Investments to create one of the most exciting major developments in central London. They are a close-knit group of dedicated and results-driven individuals who compliment Royal London's management team. We look forward to a long standing and fruitful joint venture."

Andrew Carter - Chief Executive Officer

Nationwide Building Society

"Nationwide has followed Blackfriars Investments' fortunes closely, and has been pleased to have played a part in the company's development. In the time we have known Blackfriars Investments, the management team's commitment has been self-evident, and they have demonstrated an ability to deliver."

Graham Field - Senior Corporate Lending Manager

Alsop Architects

"Blackfriars Investments are one of my most cherished clients, as they work very closely with their architects and are prepared to examine many possible solutions. The results always reflect commercial value linked with a strong and beautiful architecture."

Professor Will Alsop OBE

CB Richard Ellis (International Real Estate Advisers)

"We have found Blackfriars Investments to be pragmatic and decisive in their decision making with considerable foresight into the market. Furthermore, they have built a reputation for tenacious asset management which, combined with astute financial management, has helped them to facilitate maximum returns from their portfolio."

Martin Samworth - Managing Director, Europe

Anthony Green and Spencer (Real Estate Valuers and Surveyors)

"Blackfriars Investments has forged a reputation as a major player in the market place and is not fearful of entering into high-octane competitive transactions when circumstances dictate, but has the long term resolve and resources to pursue conservative and sustainable growth. The team combines a sense of informality with in-depth formal knowledge of the UK commercial property market and has achieved great things in a short period of time."

Anthony Green - Senior Partner

Glebe Holdings Ltd

"We have been involved with Blackfriars Investments on the Regal House project and have found them to be an innovative and hardworking partner with great vision. We will be pleased to build on that partnership going forward."

David Phillips - Founder

Dechert LLP (Lawyers)

"Blackfriars Investments has high standards. They have earned the respect increasingly accorded to them by those who have long worked in the property market. They are driven and professional, and they command loyalty from their advisers. When you represent Blackfriars Investments, you are advising people you can respect as more than capable of challenging you whilst at the same time giving you all the support and reward you aim for in high grade work."

Steven Fogel

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