

The Ethical Property Company is committed through its Quintessentials to ensure that "its social, environmental and financial performance is reported clearly and honestly to stakeholders".



ethical PROPERTY

newsletter

May 2016



Sale of Development House and purchase of new London Centre confirmed

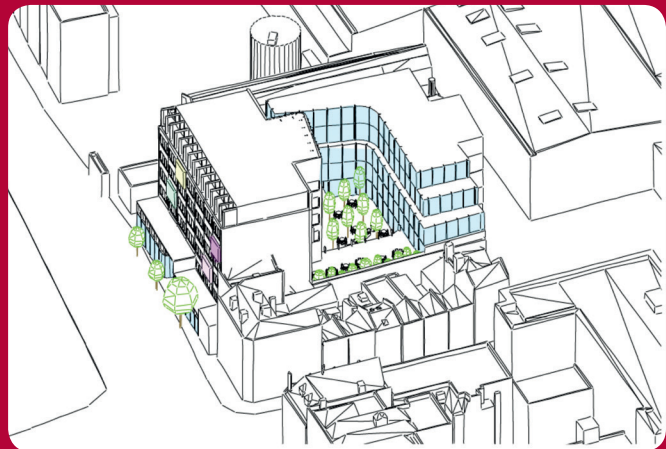
We are delighted to announce that we have now completed the sale of Development House in Old Street, London for £37.4m and simultaneously completed on the purchase of a replacement building at 244-254 Cambridge Heath Road, in Bethnal Green (see Architects impression, right). We have agreed an 18 month lease-back on Development House to enable us to redevelop the new Centre to a high environmental standard before moving tenants in. We have owned Development House since 2004 and whilst it has provided an excellent home to dozens of organisations since then, it has reached the end of its natural life span. It has also become one of our poorest performers from an environmental perspective.

Over the same period, demand has risen significantly in London, and this transaction will help us to support twice the number of tenants, while greatly improving our environmental performance.

In the Share Issue Offer Document circulated in September 2015 we projected that the impact of the sale of Development House would generate a profit of between £10m and £20m. Using our latest estimates, the sale should realise a profit after tax at the upper end of this range, with all net proceeds to be reinvested into the Cambridge Heath Road property.

This is a hugely positive step for the Company and should enable us to significantly increase our Triple Bottom Line returns in the future.

Following the Share Issue in 2015 our Net Asset Value (NAV) per share was £1.55 - the sale of Development House will add approximately £1.30 to the NAV. Before factoring in other changes, this gives a total of £2.85 per share.



We have agreed a £26.5m loan facility with Triodos Bank, providing a mix of 25-year debt, increased revolving credit and short-term finance to support the acquisition of the Cambridge Heath Road property.

Peter Borgers, Senior Relationship Manager at Triodos Bank, said "We are delighted that we have been able to provide funding support for this exciting new stage of The Ethical Property Company's development. The move to Cambridge Heath Road is a significant milestone for the Company and we look forward to working with them as they continue to grow".

For further information please email invest@ethicalproperty.co.uk.

Ethical Property supports a wide range of charities, social enterprises and small local organisations through the provision of modern, affordable and flexible workspace. We currently own or manage 24 Centres in England and Scotland as well as having interests in sister companies in Australia, Belgium and France. All Ethical Property Centres are managed to minimise energy use, waste, car travel and the use of harmful materials.

For more information on investing in Ethical Property, please visit www.ethicalproperty.co.uk/ourshareholders.

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The Old Music Hall
104-106 Cowley Road
Oxford
OX4 1JE

t: +44 (0)1865 207810
e: invest@ethicalproperty.co.uk

twitter: @ethicalspace
www.ethicalproperty.co.uk