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## Press Release

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**THE UK LOGISTICS FUND, THE UK'S LARGEST DISTRIBUTION  
WAREHOUSE FUND, INVESTS £40M IN CORBY DEVELOPMENT  
-The Fund's second purchase brings total investments over £0.5bn-**

The UK Logistics Fund, a joint venture between Hermes Real Estate and Legal & General Property, today announces that it is to fund the development of a £40million, 525,000sq.ft, warehouse on Mitchell Road, in Corby, Leicestershire. The warehouse will be developed in conjunction with Greatline Developments and is due to complete Summer 2008.

Jonathan Holland, fund manager for The UK Logistics Fund comments: 'The acquisition follows the commencement of our two other speculative development opportunities with Gazeley, The Blade in Sheffield a 412,000 sq ft warehouse nearing practical completion and two warehouses at G Park, Western Approach, Bristol. These feature a number of green initiatives, which are proving increasingly important to occupiers.

'With rising land prices, reduced labour availability, a lack of suitable land in the "Golden Triangle" area as well as the impact of the Working Time Directive and congestion, demand has moved east along the A14. Corby is therefore an important emerging location within distribution warehousing - it not only has good labour availability but has the advantage of being perfectly located, providing easy access to the M1, M6, M11, A1M and A14 but also all the east coast ports, including Felixstowe, the largest UK container port.'

Robert Wilkinson, chairman of Greatline Developments Limited adds: "Greatline Developments is a relative newcomer in the development industry but we have assembled a first class in-house team with a great deal of experience in the sector. We are very much looking forward to contributing to this exciting development in Corby."

The property in Corby will comprise a single storey warehouse/production unit of approximately 500,000 sq.ft, with a clear eaves height of 15.0m, and there will be an external two-storey office block of approximately 25,000sq.ft. The base specification provides 50 dock loaders and 14 level doors.

The UK Logistics Fund is currently seeking equity funding of in excess of £100 Million through its joint distribution agents, DTZ and King Sturge.

The UK Logistics Fund has appointed GVA Grimley and M3 as agents on the Corby development. M3 advised UKLF in relation to the purchase & funding.

**ENDS**

**10<sup>th</sup> July 2007**

**For further information, contact:**

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**Notes to Editors:**

**About the UK Logistics Fund**

The UK Logistics Fund currently has an investment and development portfolio with a completed value of some £500 million, around 80% of which is investment property with average lease lengths in excess of 14 years.

The UK Logistics Fund was initially set up with assets totalling c. £400m from Hermes and Legal & General's existing portfolios. The first addition to the Fund was in May with the £48.2m purchase of a 618,000 sq ft warehouse in Bardon, Leicestershire.

The Fund is managed by a dedicated investment management company owned 50/50 by Hermes and Legal & General.

**About Hermes**

**Hermes** is a leading pension fund investment manager, independent of any broader financial services organisation. Hermes' market-leading investment strategy has for many years been based on the index/specialist approach and is increasingly being adopted by other large pension funds. Hermes currently invests circa £70bn (as at 31.03.07) on behalf of over 240 clients including pension funds, insurance companies, government entities and financial institutions, as well as charities and endowments.

Hermes carries out its real estate investment management activities through Hermes Real Estate Investment Management. This company is responsible for the management and performance of some £12 billion of real estate for clients such as the British Telecom and Royal Mail Pension Schemes and funds such as Hermes Property Unit Trust, the X-Leisure Fund and the UK Logistics Fund.

Hermes Investment Management Limited. Registered address Lloyd's Chambers, 1 Portsoken Street, London E1 8HZ. Registered in England 2466043.

### **About Legal & General Property**

Legal & General Property (LGP) is a wholly-owned subsidiary of Legal & General Investment Management (LGIM).

LGIM had funds under management of over £230bn as at the end of December 2006

Legal & General Property manages or co-manages 14 separate Funds with an aggregate asset value of over £12bn as at end December 2006, including eight indirect vehicles:-

- Industrial – Industrial Property Investment Fund
- Regeneration – English Cities Fund
- Shopping Centres – Performance Shopping Centre Partnership  
Warrington Retail Limited Partnership
- Leisure – The Leisure Fund
- Mixed use/Retail – Bracknell Regeneration Partnership
- Business Parks – Arlington Business Parks
- Distribution Warehouses – The UK Logistics Fund
- Regional Offices – ARC Property Fund

LGP is also responsible for managing the property portfolio of the Legal & General Assurance Society Limited which has a total value in excess of £4bn, including major development opportunities in London (Bucklersbury House, St Giles Circus), retail development opportunities in Oxford Street, Bracknell, Northampton and Warrington, together with business park opportunities in the M4 corridor and Manchester.

Legal & General Property Limited. Registered address: Temple Court, 22 Queen Victoria Street, London EC4N 4TP. Registered in England 2091897.

### **Great line Developments**

Greatline Developments are regional developers who have a successful track record of medium size developments with some key land holdings are along the A14. Greatline Developments has over 60 acres of further strategic interests along the A14 and in Corby which they will be bringing forward over the next 12 to 18 months.