

DOUGHTY HANSON & CO EUROPEAN REAL ESTATE II CLOSES ON €560 MILLION

21 - July - 2006

Doughty Hanson today announces that it has closed Doughty Hanson & Co European Real Estate II, its second real estate fund, with commitments of €560 million.

Investors in the Fund from Europe, Australia, the United States, Canada and the Middle East include existing Limited Partners in Doughty Hanson's first European Real Estate Fund as well as new institutions. Doughty Hanson & Co and the Real Estate team have committed to invest €60 million in the Fund.

John Howard, Head of Doughty Hanson & Co European Real Estate, said:

"We are pleased to have received such positive interest in the Fund. We have a strong team of real estate professionals and the strategy for Fund II is more of the same, investing throughout Europe and creating value through active management."

Fund II will continue Doughty Hanson's successful and consistent strategy to leverage its local European presence through its property experience and active management to create value. Fund II will target investment and development opportunities in France, the Germanic Region, Italy, the Nordic Region and the UK by working closely with vendors and occupiers to provide solutions to real estate requirements.

Fund II is already 20% invested, with four investments to date and €110 million of equity committed:

- a portfolio of 19 commercial buildings at Kings Hill Business Park, Kent in a joint venture with Liberty Property Trust;
- high-quality residential developments at sites in Rome, through Via Cavour Srl, and in Brescia, Italy;
- a portfolio of six office properties in the Kista sub-market of Stockholm.

The real estate team operates across Doughty Hanson's network of European offices, augmented by unique relationships with operating affiliates in key markets, and has an average of over 14 years' real estate experience.

The first European Real Estate Fund, which began investing in 2000 and was one of the first pan-European real estate funds to be established, is one of the most successful real estate funds of its type. To date, investors in that Fund have received cumulative distributions from 16 realisations and partial realisations out of a total of 21 investments in eight European countries, with the realised deals providing a return of 3.1 times on the Fund's cash investment and a gross IRR of 42%