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Matrix European Real Estate Investment Trust

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Highlights for the Quarter ended 30 September 2007

The value of the property portfolio increased to 558.4m as at 30 September 2007, which represents an increase of 32.1m over the quarter.
Basic NAV per share up 3.5% since June 2007 to 651p.
Adjusted NAV per share up 2.6% since 30 June 2007 to 668p.
Secured letting of vacant space in the IZD Tower in Vienna to take the occupancy level to 98.4% compared to 88% on acquisition (12 June 2007).
Acquisition of a prime business park unit in Montpellier with a commitment to fund a further building.
First interim dividend, as a listed company, of 3.375p per share was paid on 31 August 2007.
Second interim dividend declared of 10.125p per share in respect of the quarter ended 30 September 2007, to be paid on 30 November 2007.

Property portfolio

The value of the property portfolio is 558.4 million as at 30 September 2007, representing an increase of 32.1 million over the three-month period since 30 June 2007. This increase consists of a like-for-like increase in the value of the property portfolio existing at 30 June 2007 of 3.0 million, an investment of 10.7 million in the office development in Montpellier, France and 18.4 million due to the strengthening of the Euro over the quarter.

Montpellier development

In July 2007, the Group invested 10.7 million into the development of a prime business park building in Montpellier, the construction of which is due for completion in January 2008. The investment included no third-party funding.

A pre-let for 77% of the space has been agreed with a subsidiary of Groupama SA ("Groupama") commencing from January 2008. The remaining vacant space is subject to a 12-month rent guarantee. However, we are currently in advanced negotiations with Groupama for the remaining accommodation on similar terms to the pre-let.

We have also committed a further 4.2m to the development of a second building of 2,560 sqm on the same business park. These funds are committed subject to successful application for planning permission.

IZD Tower, Vienna

Following the acquisition of the IZD Tower in June 2007, we have successfully secured lettings on the majority of the vacant office space, including the letting of additional space to Verbund - Austrian Power Grid AG, Baxter AG and Brain Force Holding AG. These lettings have resulted in an increase of the occupancy level of IZD to 99% compared to 88% at acquisition.

Net Asset Value

Net asset value per share ("NAV per share") has increased by 3.5% over the quarter, bringing the NAV per share at 30 September 2007 to 651p. In addition, adjusted NAV per share, which assumes the sale of property vehicles rather than the underlying assets and is consistent with the basis detailed in the 2007 Interim Results, has increased to 668p, an increase of 2.6% over the quarter.

	30 September 2007 pence	30 June 2007 pence
Basic	651	629
Adjusted (cum-div)	668	651
Adjusted (ex-div)	657	648

The increase in NAV per share has been primarily driven by the positive impact of the strengthening of the Euro over the quarter of 7.2 million and like-for-like increase in property valuations of 3.0 million. These movements have been offset by a decrease in the valuation of foreign-exchange derivatives and the payment of the first dividend.

Changes in Capital

Following a successful application to the Royal Court of Guernsey for the conversion of the Company's Share Premium reserve, the Company's reserves available for distribution have increased by 171.6 million.

Dividend

The Company's stated dividend policy is to make distributions to shareholders on a quarterly basis, and as such we are pleased to confirm the payment of the first interim dividend of 3.375p per share on 31 August 2007 in respect of the period from admission to the Official List of the UKLA on 4 June 2007 to 30 June 2007. Furthermore, the Board have declared a second interim dividend of 10.125p per share in respect of the three-month period from 1 July 2007 to 30 September 2007, which will be paid on 30 November 2007.

These distributions remain in line with the stated target of a gross annualised dividend yield of 6% based on the issue price of 6.75 until 30 June 2008.

Outlook

We continue to evaluate a range of strategic opportunities and, with the financial resources available to us, believe that the Company remains well positioned to take advantage of opportunities that may arise. Since listing on 4 June 2007, the Company has consistently applied rigorous acquisition standards, and as such the Manager and the Board have reviewed many opportunities which have been rejected. As a result of this disciplined investment approach and despite the difficulties in the current credit markets our balance sheet remains strong.

Website

We are pleased to announce that our website, www.mereit.info, was launched live on 21 November 2007. This site provides further information on the Group, including details of the property portfolio, the Board and Manager and financial results.

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