

Regulatory Story

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Company	Matrix European Real Estate Inv Tst
TIDM	MERE
Headline	Two lettings and Acquisition
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Matrix European Real Estate Investment Trust Limited Announces two lettings and an acquisition

London, 6 August 2007 The Board of Matrix European Real Estate Investment Trust Limited (“MEREIT” or the “Company”), a closed-ended, Guernsey registered, investment company, announces the following:

IZD Tower

The IZD office tower has secured two major lettings on vacant office space, taking its occupancy level to circa 98%. Only part of the 10th and 34th floors of the 37 storey tower now remain vacant.

Verbund – Austrian Power Grid AG (“Verbund”) has entered into a lease commencing on 1st October 2007, following completion of the landlord’s works, expiring on 31st January 2016. The Verbund Group is Austria’s largest producer and transporter of electricity, a leading hydropower generator and one of the most profitable utility suppliers in Europe, with annual sales revenue in 2006 exceeding €2.8bn. VERBUND-Austrian Power Grid AG is the independent grid company. Verbund has leased a total area of 4,204 sq m, comprising the entire 36th, 35th and part of the 34th floors on asking terms. The rents per sq m remain at the same level that was paid under the 2 year rental guarantee covering the areas. The lease is subject to a 10 month rent free period and €1m capital contribution.

The second letting is to Baxter AG, a subsidiary of the international pharmaceutical company Baxter, which is a world leader in medical technology. As an existing tenant with some 6,500 sq m of accommodation in the tower, the letting underlines Baxter’s commitment to the building. The lease is of the entire 13th floor (1,502 sq m), coterminous with current leases expiring in April 2010. The rent per sq m represents a nominal increase on the 2 year rental guarantee that covered the area.

Montpellier Purchase

The Company has committed to purchase a new asset in Montpellier, France for a net price of €21.0m, at a gross yield of 6.5%. The asset is a pre let office development comprising two buildings.

Building 1 is 7,140 sq m and 77% let to Groupama (58% of the total investment). The balance of Building 1 is subject to a 12 month rent guarantee from the vendor. Groupama has a workforce of over 32,000 people and specialises in life and health insurance, property and liability insurance and services and banking products. This building has been bought at a gross yield of 6.4%. Construction started in Q4 2006 and is due to complete in Q4 2007. Payment will be made in two stages, 50% at completion and 50% at completion of the building works.

Building 2 is 2,560 sq m. It is currently unlet but subject to a 24 month rent guarantee from the vendor, and has been bought at a gross yield of 6.8%. Construction is anticipated to start in Q1 2008 and complete in Q1 2009.

Payment will also be made in two stages, 20% after obtaining detailed planning and 80% at completion. The final price paid will be adjusted to reflect the rent obtained. Both first stage payments will accrue interest (or construction rent) of 6% until final payment and rent commencement.

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Notes to Editors:

- **Matrix Group**

Matrix Group is a financial services business offering innovative investment products and services, founded twenty years ago.

- **Investment Objective and Policy**

The Company's objectives are to provide Shareholders with an attractive level of income return, together with the potential for income and capital growth, through investment in European Property.

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