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PRESS RELEASE

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CLS HOLDINGS PLC EXTENDED DEVELOPMENT AT LANDSHUT, GERMANY WITH 17.5 YEAR PRE-LETTING TO E.ON

Further to CLS Holdings plc's ("CLS") announcement on 14 October 2010 of a pre-let development in Landshut, Germany to E.ON Service Plus GmbH ("E.ON"), CLS is pleased to announce that it has agreed with E.ON to develop an additional 2,000 sq m (21,527 sq ft) of space on the same terms. This additional space increases the total development to 5,400 sq m (58,125 sq ft), which is to be completed by the summer of 2012 and has been let on a 17.5 year index-linked lease until March 2030 with no breaks.

The income from the previously announced pre-let together with this additional space produces a total income of €659,000 p.a., which equates to €114 per sq m and represents an initial yield of 8.5% to CLS at a cost of €8 million. With debt finance arranged by Deutsche Postbank AG, the initial return on equity will be 19.4% p.a.

The new property will be the fourth phase of a 16,100 sq m (151,771 sq ft) fully-let office complex, including CLS's original purchase in 2006, and phases two and three developed in 2009. E.ON will use the new property as office space for internal services within the E.ON group of companies.

Sten Mortstedt, Executive Chairman of CLS, commented:

"We are delighted to expand our relationship with E.ON with this pre-letting based on an extended development scheme for a new building adjacent to its existing buildings which we own. It highlights the benefits of working closely with tenants to meet their occupational needs, and provides further secure, long-term income for the Group."

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