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Release date: 27 September 2011
Embargoed until: 07:00

PRESS RELEASE

CLS Holdings plc announces acquisition of £5.5 million multi-let office buildings in Hounslow

CLS Holdings plc announces that it has exchanged and completed on the acquisition of two adjacent multi-let office buildings, Falcon House and Quest House, at 115-135 Staines Road, Hounslow for £5.5 million. The total initial rent is £582,091, giving a yield after costs of 10.1% rising to £627,562 in 11 months (after fixed rental uplifts) and a yield of 10.9%. Including the one vacant floor of 574 sq m (6,183 sq ft), total Estimated Rental Value is £740,000.

Tenants include Aer Lingus, Alitalia, Telefonica O2, Vandemoortele, First Rate Exchange Services and Quest Diagnostics. The weighted average lease length to expiry is 5.2 years.

The buildings total 4,693 sq m (50,522 sq ft) over four floors. The purchase price equates to a capital value of £1,172 per sq m (£109 per sq ft), with 174 car spaces giving a high ratio of 1 space per 27 sq m (290 sq ft) of lettable area.

After debt financing, the 5 year return on equity is expected to be over 15% per annum.

Sten Mortstedt, Executive Chairman of CLS Holdings plc, commented:

"I am delighted with this acquisition, which continues our strategy of focusing on high yielding, cost-effective offices that provides us with reliable diversified cash flow from solid tenants. In addition there are a number of interesting asset management opportunities over the coming years. Being well financed places us in a very strong position to take advantage of the current market conditions for this type of acquisition".

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