



## CLS Holdings plc

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## **PRESS RELEASE**

### **CLS HOLDINGS PLC (CLS) ANNOUNCES A NEW FRENCH ACQUISITION**

The Board of CLS is pleased to announce that its wholly owned subsidiary, Citadel Holdings Plc, has purchased 7 rue Eugène et Armand Peugeot, 92500 Rueil Malmaison, a 7,357 sq m (79,161 sq.ft) office building with 146 parking spaces. The consideration inclusive of all costs was €33 million (£29.8 million).

The property, built in 1988, was partly refurbished in 2005/06, and substantially refurbished in 2009. It is located to the west of Paris, in Rueil-Sur-Seine, an attractive and well established office area with excellent transport links both by road and rail, including a mainline station situated adjacent to the property.

The building is multi-let with existing rental income of €2.7 million (£2.4 million) yielding 8.3%, and will provide a return on equity of 16.1%. The cash return on equity of 10.2% is based on a newly completed ten-year loan facility with Société Générale of €21.7 million (£19.6 million). 95% of the cash flow is secured for three years from large corporate tenants, and 43% is secured over six years.

Executive Chairman of CLS, Sten Mortstedt, commented:

*"We are very pleased to have acquired such a high quality office building in Paris offering attractive returns in line with our investment criteria. It provides further evidence of CLS' ability to source and acquire attractive investments in France."*

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