

This document comprises a prospectus relating to New FCPT Limited (the "Company") prepared in accordance with the prospectus rules and listing rules of the UK Listing Authority made under section 73A of the Financial Services and Markets Act 2000.

The Company has received authorisation in principle as an authorised closed ended investment scheme from the Guernsey Financial Services Commission under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed Ended Investment Scheme Rules 2008 made thereunder, and final authorisation will be applied for prior to the First Closing Date. The Company has not yet been authorised by the Guernsey Financial Services Commission pursuant to Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed Ended Investment Scheme Rules 2008 made thereunder. The structure will have been implemented, and it is expected that authorisation will have been granted, prior to the First Closing Date.

The Directors of the Company, whose names appear on page 16 of this document, and the Company each accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of the knowledge of the Directors and the Company, in accordance with the facts and does not omit anything likely to affect the import of such information.

NEW FCPT LIMITED

(incorporated in Guernsey with registration number 50402)

ISSUE OF 680,537,003 ORDINARY SHARES OF 1P EACH

**IN CONNECTION WITH A SHARE FOR SHARE EXCHANGE OFFER
FOR ALL THE EXISTING SHARES IN
F&C COMMERCIAL PROPERTY TRUST LIMITED**

**Sponsored by
DICKSON MINTO W.S.**

Application has been made to the UK Listing Authority for all the Ordinary Shares (issued and to be issued) to be admitted to the Official List and to the London Stock Exchange for those shares to be admitted to trading on the London Stock Exchange's market for listed securities.

The Offer is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan or any other Restricted Jurisdiction and, subject to certain exceptions, the Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Australia, Japan or any other Restricted Jurisdiction. Accordingly, copies of this document, the Offer Document and the Form of Acceptance are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from the United States, Canada, Australia, Japan or to, or for the account or benefit of, any resident of the United States, Canada, Australia or Japan or any other Restricted Jurisdiction and persons receiving this Prospectus and/or the Offer Document and/or the Form of Acceptance (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The New Ordinary Shares have not been and will not be registered under the US Securities Act or under any of the relevant securities laws of any state of the United States or of Canada, Australia or Japan. Accordingly, unless an exemption under such act or laws is applicable, the New Ordinary Shares may not be offered, sold or delivered directly or indirectly in or into the United States, Canada, Australia or Japan. This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the sponsor and solicitor to the Company and to F&C Commercial Property Trust Limited. Dickson Minto W.S. is acting exclusively for the Company and FCPT and for no-one else in relation to the Offer and the Issue. Dickson Minto W.S. will not be responsible to any other person for providing the protections afforded to clients of Dickson Minto W.S. nor for advising any other person in relation to the Offer, the Issue or this document.

No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the Issue other than those contained in this Prospectus and the Offer Document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before investing in the Company. Potential investors should also consider the Risk Factors relating to the Company set out on pages 7 to 13 of this document.

5 June 2009

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SUMMARY

This summary should be read as an introduction to the Prospectus. Any decision to invest in the New Ordinary Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

Introduction and reasons for the Issue

New FCPT Limited (the "Company") is a new, Guernsey incorporated, closed ended investment company. The Company has been incorporated for the purpose of making an offer to acquire all the issued shares of F&C Commercial Property Trust Limited ("FCPT") in connection with a share for share exchange offer to the existing shareholders in FCPT. If the Offer is successful, the effect will be that the Company will become the new holding company of FCPT and the new Shareholders of the Company will, except in respect of persons unable to participate in the Issue for legal or regulatory reasons, be the same as the existing shareholders in FCPT, holding the same number of shares in the Company as they held in FCPT immediately prior to the exchange.

Under the Offer, existing shareholders of FCPT are being offered one New Ordinary Share in the Company for each existing share in FCPT, conditional on the Company receiving acceptances in respect of 90 per cent. or more of the issued shares in FCPT. If, in respect of any Overseas Shareholder, the Company is advised that the allotment and issue of New Ordinary Shares would or might infringe the laws of any jurisdiction outside the United Kingdom or Guernsey, the Company may issue the relevant shares to a nominee appointed by the Company as trustee to sell the New Ordinary Shares for such Overseas Shareholder with the net proceeds of sale being remitted to the Overseas Shareholder.

If the Offer is successful, the Company will be, effectively, a mirror image of FCPT, save as described under "Summary of investment policy" on page 4 below and save that the New Ordinary Shares in the Company will not be listed or traded on the Channel Islands Stock Exchange. The New Ordinary Shares in the Company will be listed on the UK Listing Authority's Official List and traded on the London Stock Exchange.

As with FCPT currently, the Company will invest in UK commercial property which will be held indirectly through the Property Subsidiary and any other property holding subsidiaries established by the Board. The Company will have a single class of shares in issue, Ordinary Shares, and will be geared through debt finance. As with FCPT, the Company will have an indefinite life.

It is expected that the introduction of the Company as the new holding company of FCPT will have the following benefits for the Enlarged Group.

- The Company and any new subsidiaries of the Company, other than the Current Group (i.e. FCPT and its subsidiaries), will not form part of the security structure for the Bonds and will therefore not be subject to the same restrictions. However, initially all of the Enlarged Group's assets will remain part of the secured structure.
- In the event that the Company raises any new equity, it will have considerable flexibility over whether that cash is used within or outside the current secured structure.
- The Company will have more flexibility to incur borrowings in a manner which may be more cost effective than through the Bond structure when the market for securitised bonds is weak. However, it should be noted that the Board does not have any intention at the current time of increasing the Enlarged Group's borrowings.
- The Company will have the ability in the future to acquire or merge with other companies or funds which may themselves have existing debt. FCPT may be restricted from doing that itself under the current structure.

- The extended investment policy of the Enlarged Group will provide the Enlarged Group with flexibility to invest in Listed Property Companies where the Board believes that it is in the best interests of shareholders to do so.
- The Company will not be subject to the same restrictions as are imposed on FCPT on the use of any surplus cash to pay dividends, buy back shares or otherwise return capital to Shareholders.

Summary of investment policy

The Company's investment objective is to provide Ordinary Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

The Company will hold a diversified portfolio of freehold and predominately long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. It invests principally in three commercial property sectors: office, retail and industrial.

The Company is permitted to invest up to 15 per cent., at the time of acquisition, of its Total Assets in Indirect Property Funds which invest principally in UK property but these investments may not exceed 20 per cent. of Total Assets at any subsequent date. The Company is permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

The Company uses gearing throughout the Group to enhance returns over the long term. Gearing, represented by borrowings as a percentage of Total Assets, may not exceed 50 per cent. However, the Board's present intention continues to be that borrowings of the Group will be limited to a maximum of 35 per cent. of Total Assets at the time of borrowing.

The Company's full investment policy is set out on pages 22 and 23.

Investment Manager and Property Manager

The Company, as with FCPT, is managed by F&C Investment Business Limited, a wholly owned subsidiary of F&C Asset Management plc and FCIB has, again as is currently the case with FCPT, agreed to delegate the property management arrangements to F&C REIT Property Asset Management plc, a subsidiary of F&C REIT Asset Management LLP. F&C REIT Asset Management LLP is the result of the combination in 2008 of the F&C group's property management business with REIT Asset Management. Notwithstanding the delegation of some of the management functions, FCIB will remain the Group's investment manager.

The F&C group has £92.7 billion of funds under management in the UK and Europe (as at 31 March 2009). The shares of F&C Asset Management plc are traded on the London Stock Exchange. F&C Asset Management plc's ultimate parent company is Friends Provident, which is also the Company's majority shareholder. Friends Provident has announced its intention to make a pro-rata distribution of its stake in F&C Asset Management plc to its shareholders and on 26 May 2009 posted a circular to its shareholders setting out such proposals and indicating that it expected, subject to (i) Court approval of the distribution, (ii) the approval of its shareholders and (iii) Court approval of the wider Friends Provident reorganisation, that the demerger would become effective on 3 July 2009.

The F&C group provides investment management and other services to a range of investment companies. In addition, through F&C REIT Property Asset Management plc, it is one of the largest property managers in the UK. F&C REIT Property Asset Management plc has property funds under management of £7.7 billion (as at 31 March 2009), and manages property investments on behalf of a wide range of clients including the Company, ISIS Property Trust Limited and IRP Property Investments Limited.

The Property Portfolio

There are 30 properties in FCPT's current Property Portfolio with a total Market Value of approximately £598,370,000. The Property Portfolio currently provides an income return of 6.2 per cent. on its Market Value (for the 12 months to March 2009). The latest IPD Rental Information Service report for March 2009 ranked the Property Portfolio in the 28th percentile for weighted tenant covenant risk score compared with the IPD Quarterly and Monthly valued funds (with the first percentile being lowest risk and the 100th percentile being the highest risk), therefore indicating a higher than average tenant covenant strength. The average unexpired lease term of the leases of the Properties (weighted by current gross annual rent) is 7.8 years and, other than certain parts of the property at St Christopher's Place which have turnover based rent reviews, all of the rent review provisions in leases of the Properties are upwards only. The Property Portfolio also includes two small holdings in unit trusts which invest in UK commercial property.

The directly held Properties comprised in the Property Portfolio have been externally valued by the Valuer with a Market Value of £598,370,000 as at 30 April 2009. The valuation report is set out in Part 5 of this document. The two holdings in the unit trusts comprised in the Property Portfolio were valued at £3,529,000 in aggregate as at that date and on the basis set out in section 1 of Part 4 of this document.

Capital structure and duration

The Company's share capital structure will consist solely of Ordinary Shares. The Company does not have a fixed life. At the annual general meeting of the Company to be held in 2015, the Directors will propose an ordinary resolution for the continuation of the Company. If the continuation resolution is not passed, the Directors will be obliged to convene an extraordinary general meeting within six months to consider the winding up of the Company or a reconstruction of the Company which offers all Shareholders the opportunity to realise their investment. If the continuation resolution is passed, the Directors will propose a similar resolution at the annual general meeting of the Company five yearly thereafter.

Borrowings

FCPT incurred borrowings through the issue of £230,000,000 of secured bonds due 2017 and which have been assigned an 'Aaa' rating by Moody's Investors Services. FCPT currently has no other borrowings. The Bonds carry interest at a fixed rate of 5.23 per cent. per annum.

It is expected that the Bonds will be repaid in full on 30 June 2015 although the final maturity date of the Bonds is 30 June 2017. The Bonds are secured by means of fixed and floating charges over the assets of the Current Group.

The fixed and floating charges over the assets of the Current Group, securing the Bonds, will not cover assets of the Company outwith the Current Group, nor will they cover assets of subsidiaries of the Company incorporated outwith the Current Group structure.

Dividends

The Board intends that dividends will be paid monthly by the Company. While there remain any shareholders in FCPT other than the Company, it is expected that dividends will continue to be paid to those shareholders by FCPT on a monthly basis in accordance with the announcement dated 26 November 2008. During this period, dividends received by the Company on shares in FCPT held by the Company as a result of acceptances under the Offer will be distributed as dividends immediately upon receipt to holders of Ordinary Shares in the Company. As a result, shareholders will not be advantaged or disadvantaged by holding shares in the Company or in FCPT, or by the timing of accepting the Offer to exchange shares in FCPT for Ordinary Shares in the Company. All dividends will be paid as interim dividends.

The Offer and the Issue

The Issue of New Ordinary Shares in the Company is conditional, *inter alia*, upon the Company receiving acceptances under the Offer for at least 90 per cent. of the issued shares in FCPT and upon admission of the New Ordinary Shares in the Company to the UKLA's Official List and to trading on the London Stock Exchange becoming effective.

If the Company does not receive acceptances in respect of at least 90 per cent. of the issued shares in FCPT by the Final Closing Date then the Offer will not proceed, no New Ordinary Shares in the Company will be issued, shareholders in FCPT will retain their existing shares in FCPT and the Company (i.e. New FCPT Limited) will be wound up.

If the Company does receive acceptances in respect of at least 90 per cent. of the issued shares in FCPT by the Final Closing Date then the Offer will become unconditional and the Company will acquire all those shares in FCPT which have been validly tendered (in exchange for the issue of New Ordinary Shares in the Company) and will initiate the squeeze out procedure in accordance with Part XVIII of The Companies (Guernsey) Law, 2008 to compulsorily acquire all the shares in FCPT not acquired by the Company in the Offer at that date.

If the Issue proceeds, a total of 680,537,003 New Ordinary Shares will be issued. It is expected that the costs of the Offer and the Issue will be approximately £830,000 (being equal to 0.16 per cent. of the net assets of the Current Group as at 30 April 2009). The terms of the Offer are set out in full in the Offer Document. The First Closing Date for the Offer is 26 June 2009. In the event that acceptances have been received in respect of less than 90 per cent. of the issued share capital of FCPT by that date, the Company may, at its discretion, extend the Offer period.

Taxation

The Company will conduct its affairs so as to be resident outside the United Kingdom for tax purposes. The Company will apply for tax exempt status from the Director of Income Tax in Guernsey.

More detailed information is set out in the paragraphs headed "Taxation" in Part 2.

Principal Risk Factors

The principal risk factors relating to the Company and the Ordinary Shares are as follows:

- the value of an investment in the Company and the income derived from it, if any, may go down as well as up;
- the performance of the Company would be adversely affected by a continued downturn in the property market in terms of market value or a weakening of rental yields. In the event of default by a tenant, or during any other void period, the Company will suffer a rental shortfall and incur additional expenses until the property is re-let;
- the Company's ability to pay dividends and overall performance will be principally dependent on its rental income. Rental income and the market value of properties are generally affected by overall conditions in the relevant local economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact the demand for premises;
- the value of property and property related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of the properties will reflect the actual sale price even where such sales occur shortly after the relevant valuation date; and
- the levels of and reliefs from taxation may change and any change may affect the value of the investments held by the Group or the post tax returns to Shareholders – in particular, if the Property Subsidiary (and any new geared subsidiaries) was unable to set off certain borrowing costs against its income, the Company's net income and ability to pay dividends may be substantially diminished.

An investment in New Ordinary Shares is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

RISK FACTORS

The risk factors set out below are those which are considered by the Directors to be material as at the date of this document but are not the only risks relating to the Group or the Ordinary Shares. Additional risks and uncertainties relating to the Group that are not currently known to it or that the Directors do not currently consider to be material may also have a material adverse effect on the Group. Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Investors should consider the following risk factors in relation to the Group and the Ordinary Shares.

General risks relating to an investment in the Ordinary Shares

An investment in the Ordinary Shares involves certain risks. The risks described below could have a material adverse effect on the Company's business, financial condition, future prospects and the price of the Ordinary Shares and it is possible that Shareholders could lose all or part of their investment in the Ordinary Shares.

The market value of, and the income derived from, the Ordinary Shares can fluctuate. The market value of the Ordinary Shares, as well as being affected by their net asset value and prospective net asset value, also takes into account their dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying net asset value. Fluctuations could also result from a change in national and/or global economic and financial conditions, the actions of governments in relation to changes in the national and global financial climate or taxation, market perceptions as to when and at what level the Company will pay dividends on the Ordinary Shares and various other facts and events, including the liquidity of financial markets, variations in the Company's operating results, business developments of the Company and/or its competitors. Stock markets have recently experienced significant price and volume fluctuations that have affected market prices for securities.

If under Guernsey law there were to be a change to the basis on which dividends could be paid by Guernsey companies, this could have a negative effect on the Company's ability to pay dividends.

The Company does not have a fixed winding up date and, therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market. The periodic continuation votes, which are to be held in accordance with the Articles, will be proposed as ordinary resolutions. In the event that any one shareholder or group of shareholders (including Friends Provident and its subsidiaries if applicable) held over 50 per cent. of the Ordinary Shares at the time of voting, such holding would be sufficient, by itself, to pass or block such resolution.

There can be no guarantee that the investment objectives of the Company will be met.

There is no guarantee that the expected dividend in respect of any period will be paid.

Dividend growth on the Ordinary Shares will depend principally on growth in rental income received from the underlying assets and the extent to which the Group is invested. The Group currently holds a significant amount of uninvested cash which has helped to mitigate the impact of recent market wide falls in the capital value of property on the net asset value of the Group but the current low returns on cash means that the income generated by uninvested assets is significantly less than invested let property assets.

At present the dividends paid by the Group are not fully covered by the net income of the Group and the difference between the two is paid for by the Group from its other reserves. Correspondingly, the net asset value of the Group will decrease by this difference unless there is growth in the capital value of the assets of the Group sufficient to balance it out.

The rating assigned to the Bonds is expressly not an opinion on the suitability of the Ordinary Shares as an investment.

Regulation

The Company and each member of the Group is a limited company incorporated in Guernsey. The Company's and each member of the Group's ability to pay dividends is governed by The Companies (Guernsey) Law, 2008 which came into force in Guernsey on 1 July 2008. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of the Companies (Guernsey) Law, 2008 was to replace the capital maintenance requirements in respect of dividend and distribution payments and requirements for distributions to be made from distributable profits (similar to that to which UK companies are subject and formerly applicable to Guernsey companies) with a solvency based test. The use of the solvency test now requires the directors of a company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the board to make a future assessment of solvency by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the directors believe that the solvency test cannot be passed, then no payment may be made.

As a holding company, the Company's ability to pay dividends is affected by a number of factors but principally its ability to receive sufficient dividends from its subsidiaries. Immediately after the Issue, the Company will have only one subsidiary, FCPT. The payment of dividends to the Company by any subsidiary is subject to certain regulatory requirements and the ability of FCPT to receive distributions from its investments in other entities is subject to applicable local laws and regulatory requirements. In addition, there may be other restrictions including, but not limited to, applicable tax laws and covenants in debt facilities. These laws and restrictions could limit the payment of future dividends and distributions to the Company by any subsidiary, which could restrict the Company's ability to fund other operations or to pay a dividend to holders of the Ordinary Shares.

The rights of holders of the Ordinary Shares are governed by Guernsey law and by the Company's memorandum and articles of incorporation. These rights may differ from the rights of shareholders in typical UK corporations.

A Shareholder may not be able to enforce a judgment against some or all of the Directors of the Company. Some of the Directors of the Company are resident in the Channel Islands and some are resident in the UK. It may not be possible for a Shareholder to effect service of process upon the Directors within the Shareholder's country of residence or to enforce against the Directors of the Company in the courts of the Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a Shareholder will be able to enforce any judgements in civil and commercial matters or any judgements under the securities laws of countries other than Guernsey against the Directors who are residents of countries other than those in which judgment is made. In addition, Guernsey courts or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in Guernsey.

Taxation

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the Company's and any subsidiaries' tax status or in taxation legislation in Guernsey or the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company or by any subsidiaries or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

Under current United Kingdom tax law, UK letting agents are required to withhold amounts on account of, or to account to the United Kingdom HM Revenue & Customs ("UK HMRC") for, United Kingdom income tax in respect of rent collected on behalf of a landlord which has a normal place of abode outside the United Kingdom, unless a direction (a "Direction") has been given by the UK HMRC confirming that payments to such a landlord may be made without withholding or deduction for or on account of UK income tax and that no such obligation to

account to the UK HMRC arises. The Property Subsidiary has applied for and received such a Direction. There is no guarantee that it may not in the future be withdrawn. Any new property holding subsidiary of the Group would have to apply for such a Direction and there is no guarantee that it would be granted.

In the event that a Direction in relation to a relevant company is not given or is withdrawn, the UK letting agent will be required to make payment to the UK HMRC on account of the United Kingdom income tax liability of that company.

The Company, FCPT and the Property Subsidiary are all resident outside the UK for tax purposes. FCPT generates rental income from a portfolio of UK properties held directly and via certain indirect holdings. UK income tax (currently at the rate of 20 per cent.) is payable by the Property Subsidiary on the net rental income (as computed for the purposes of UK taxation) arising on the portfolio. In computing the net rental income of the Property Subsidiary, a deduction is available for interest payable by the Property Subsidiary to FCPT on loans made to the Property Subsidiary for the purposes of its rental business, to the extent that the amount of interest payable does not exceed the amount of interest that would be payable by the Property Subsidiary had it borrowed from a third party on arm's length terms. In the event that UK HMRC were successfully to show that the terms, including the quantum, of the loans from FCPT to the Property Subsidiary were excessive, compared to the terms which would be negotiated between parties dealing at arm's length, any interest costs attributable to that excess would not be deductible for UK tax purposes, with the result that the Property Subsidiary's net rental income liable to tax would be increased, which would have an adverse effect on the Company's ability to pay dividends to Shareholders at the current rate, or indeed at all. The Company and FCPT have been advised that the current proposal for the Company to be inserted as the new holding company of FCPT through the Offer and the Issue should not affect the Group's position in this regard either adversely or beneficially.

Any change (including a change in interpretation) in tax legislation, either in Guernsey or in the United Kingdom or in other countries in which the Group operates, could have a material adverse effect on the Group's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. Changes to tax legislation could include the imposition of new taxes or increases in tax rates in Guernsey or in the United Kingdom. In particular, an increase in the rates of stamp duty land tax could have a material impact on the price at which UK land can be sold, and therefore on asset values.

Gearing

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that the rental income of the Property Portfolio falls for whatever reason, including tenant defaults, the use of borrowings will increase the impact of such fall on the net revenue of the Group and accordingly will have an adverse effect on the Group's ability to pay dividends to Shareholders. Prospective investors should also be aware that the Group will be entitled to invest up to 15 per cent. of its Total Assets in funds which themselves invest in UK commercial property and may themselves be entitled to incur borrowings.

Amounts owing to the Bond Issuer and the Bondholders and related expenses will rank ahead of the Company's entitlements to assets held by FCPT and its subsidiaries. Amounts owing in respect of any borrowings incurred outwith the Bond security structure (i.e. amounts borrowed by the Company or a subsidiary of the Company alongside but not below FCPT in the Group's structure) will rank ahead of Shareholders' entitlement to the assets held in that part of the Group and, accordingly, if the Company's assets do not grow at a rate sufficient to cover the costs of operating the Company, the value of Shareholders' investment is likely to decrease. In the event that the Group or a member of the Group is unable to repay the amounts due in respect of borrowing when due, securities granted in favour of the lender(s) may crystallise or attach and the assets of the Group or a member of the Group may be taken for the benefit of one or more lender(s).

Furthermore, while the Company is satisfied (as set out in paragraph 8.4 of Part 6 of this document) that the working capital available to the Company is sufficient for the Company's

present requirements (that is for at least the next 12 months from the date of this document) and that the working capital available to the Group, both before and after completion of the Offer, is sufficient for the Group's present requirements (that is for at least the next 12 months from the date of this document), should any fall in the underlying asset value or expected revenues result in the Group or any part of it breaching any applicable financial covenants attached to any borrowings, the Company may be required to repay such borrowings in whole or in part together with any attendant costs including prepayment costs. In particular, the prepayment costs in relation to the Bonds would include a premium based on a Spens clause calculation. It is estimated that, as at 3 June 2009, the current cost for full prepayment of the Bonds on this basis would amount to £258.7 million, i.e. an excess of approximately £28.7 million. On the basis of FCPT's financial position and the valuation as at 30 April 2009, if the gross assets of FCPT should fall by 23 per cent., the loan to value covenant contained in the Facility Agreement would be breached and if the net revenue of the Group should fall by 53 per cent., the income covenant contained in the Facility Agreement would be breached. If the Company is required to repay all or part of its borrowings, it may be required to sell assets comprised in the Property Portfolio at less than their Market Value or at a time and in circumstances where the realisation proceeds are reduced because of a downturn in property values generally or because there is limited time to market the Property. If any of the covenants contained in the Facility Agreement have been breached, or if certain other tests, including regarding net income of the Company, are not met, the Bond Issuer may also be able to prevent FCPT from paying dividends. Under the terms of the security granted by FCPT and the Property Subsidiary in favour of the trustee of the security granted in relation to the Facility Agreement for the benefit of the Bond Issuer, on an event of default under the Facility Agreement, such trustee will be entitled to appoint a receiver over the assets of FCPT and any subsidiaries of FCPT. The appointment of a receiver and the enforcement of such security may materially adversely affect the value of the Shareholder's investment. The Company does not currently expect any of the Bond covenants to be breached.

There is no certainty that the Group will be able to refinance the amounts due in respect of the Bonds on their expected repayment in 2015, either at all or on acceptable terms. There is no certainty that the Group will be able to refinance any other borrowings incurred on their expected repayment date, either at all or on acceptable terms. At some point, in the medium to longer term (i.e. not within the next 12 months), the Company may need to incur further borrowings to fund its cash flow requirements, including the payment of dividends. There is no certainty that such borrowing will be made available to the Company, either at all or on acceptable terms.

Economic environment

Global market uncertainty and the weakened economic conditions in the United Kingdom and elsewhere and, in particular, the reduced availability of credit have reduced and may continue to reduce the value of the Group's Property Portfolio and may reduce liquidity in the commercial real estate market. A substantial decrease in value of the Group's Property Portfolio could increase pressure on the Group to meet its financial covenants. A lack of liquidity in commercial real estate may prevent the Group from relieving this pressure or seizing trends in occupational demand and rental growth or disposing of lower growth or riskier assets, thereby adversely affecting the Company's net asset value. As a result, the Group may be unable to sell property or, alternatively, might be forced to sell property at less than the value stated in the valuation of the Group's property portfolio, which could have a material adverse effect on its business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

Demand for commercial real estate has decreased as a result of the recent weakened economic conditions and may continue to decrease, in part due to a reduction in the availability of new financing (including securitisation of real estate assets). Some lenders in the market have taken opportunities, where possible, to negotiate a reduction in their exposure under existing lines. Such market turmoil could also affect the Group's ability to refinance its obligations or obtain new financing. This could have a material adverse effect on the Group's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

There has been significant pressure on income from UK commercial property, particularly since the start of 2009, as a result of increased voids and other factors. Any material decrease in the income of the Group may hinder the Group's ability to pay dividends at the current rate or at all.

Property and property related assets

The value of property and property-related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the valuations of the properties will reflect the actual sale price even where such sales occur shortly after the relevant valuation date.

The performance of the Group would be adversely affected by a further downturn in the property market in terms of market value or a weakening of rental yields. In the event of default by a tenant or during any other void period, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs.

Any continuing property market recession could materially adversely affect the market value of properties. Returns from an investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property, as well as upon changes in its market value.

Rent reviews may not be at the then Estimated Net Annual Rent.

Both rental income and market values may also be affected by other factors specific to the commercial property market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of tenants or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. In addition, certain significant expenditures, including operating expenses, must be met by the owner even when the property is vacant.

Any change to the laws and regulations relating to the UK commercial property market may have an adverse effect on the market value of the Property Portfolio and/or the rental income of the Property Portfolio.

The Indirect Property Funds of the Group may be managed and advised by persons other than the Investment Manager. The value of the Indirect Property Funds, and the income from them, will depend, in part, on the performance of such managers and advisers and the costs and expenses incurred by the Indirect Property Funds.

Investments in property and certain property related assets, such as the Indirect Property Funds, are relatively illiquid and may be more difficult to realise than equities or bonds.

Investments in Indirect Property Funds including Listed Property Companies may be valued more or less from time to time in the market than their underlying net asset values as a result of a number of factors including market sentiment, outlook and liquidity. Shareholders should be aware that securities in Indirect Property Funds may trade at significantly less than their net asset values or not trade at all.

The downturn in the economy has caused considerable levels of write-downs, reduced output and an unwillingness to spend by the financial services industries, which could result in a decrease in tenant demand for existing and future properties in the Group's office portfolio. Such a decrease in tenant demand could increase vacant space and exert pressure on the Group to provide rental incentives to tenants resulting in a decrease in the rental income, ERV, rental growth and property values of the Group's office portfolio, which could have a material adverse effect on its business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

The current global market turmoil and weakening economic conditions in the United Kingdom and elsewhere could adversely impact consumer businesses and decrease the demand for retail property in a market with significant retail stock availability, resulting in difficulties letting vacant space, the need for rental incentives to attract tenants, an outward shift in yields and a decrease in property valuations, which could have a material adverse effect on the Group's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

As the owner of real property, the Group is subject to environmental regulations that can impose liability for cleaning up contaminated land, watercourses or groundwater on the person causing

or knowingly permitting the contamination. If the Group owns or acquires contaminated land, it could also be liable to third parties for harm caused to them or their property as a result of the contamination. If the Group is found to be in violation of environmental regulations, it could face reputational damage, regulatory compliance penalties, reduced letting income and reduced asset valuation, which could have a material adverse effect on the Group's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

The departure of key skilled professionals from the Investment Manager and/or the Property Manager could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group does not have insurance coverage for certain types of catastrophic losses which are not insurable or for which economically reasonable insurance is unavailable. There can be no guarantee that the Group's current insurance coverage will not be cancelled or become unavailable on economically reasonable terms in the future. If the Group were to suffer damage to an asset for which it was uninsured, it may be forced to obtain additional financing, to repair or rebuild the damaged asset or lose the value of the damaged asset altogether, which could have a material adverse effect on the Group's business, financial condition, results of operations, future prospects and/or the price of the Ordinary Shares.

Valuations

The financial markets have seen significant turbulence over the last year or so resulting in severe liquidity shortages. The turmoil in the credit markets had an immediate effect on the real estate investment market, resulting in some transactions failing and/or prices being renegotiated downwards. This has caused a marked reduction in the volume of transactions with activity below the levels of recent years. The negotiation of price reductions prior to the completion of transactions remains common. Generally, there is greater volatility of pricing in the evidence generated by comparable transactions and in these circumstances there is a greater degree of uncertainty than that which exists in a more active and stronger market in forming an opinion of the realisation prices of property assets.

FCPT's property portfolio (other than the Indirect Property Funds which produce their own net asset value statements) has been valued by DTZ as at 30 April 2009 on the basis of "Market Value" in accordance with the Red Book. In determining Market Value, DTZ is required to make certain assumptions. Such assumptions may prove to be inaccurate. This is particularly so in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked, as has been the case during the preceding 18 month period. In addition, the valuations of the Group's wholly owned properties and the Indirect Property Funds in which the Group has an interest are accurate only as of their valuation date, and market volatility since that date may cause further significant changes in the value of the Group's properties since such date. There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable. In addition, due to the uncertainty of the current global economic climate, it is possible that real estate prices and values could decrease significantly or continue to be subject to heightened volatility. The current illiquidity in financial markets means that it may be very difficult in the short term to achieve the sale of properties at prices reflected in the valuations of the Group's wholly owned properties and the Indirect Property Funds in which the Group has an interest.

The value of the Group's properties can be affected by factors outside of the Group's control, including declining demand for office and retail estate, changes in general economic conditions, changing local supply and the attractiveness of real estate to other investment choices. Failure to achieve successful sales of properties in the future at acceptable prices could have an adverse effect on the Group's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares.

Whereas transaction evidence underpins the valuation process, the definition of Market Value, including the commentary in Practice Statement 3.2.4 of the Red Book, requires the Valuer to reflect the realities of the current market. In this context Valuers must use their market

knowledge and professional judgement and not rely only upon historic market sentiment based on historic transactional comparables.

The Valuer has stated in the Valuation Report that it is "of the opinion that, in the market conditions which currently prevail, there is likely to be a greater than usual degree of uncertainty in respect of valuations. Until the number and consistency of comparable transactions increases, this situation is likely to remain".

The Offer

In the event that the Offer becomes or is declared unconditional in all respects, FCPT will apply for the cancellation of the listing of the FCPT shares on the Official List and the Channel Islands Stock Exchange and for cancellation of trading in FCPT shares on the London Stock Exchange's main market for listed securities and on the Channel Islands Stock Exchange. It is anticipated that such cancellations of listing and trading will take effect 20 business days after the Offer becomes or is declared unconditional in all respects. It is also anticipated that the listing of, and trading in, the FCPT shares on the London Stock Exchange's main market and the Channel Islands Stock Exchange will be suspended on the second business day after the Offer becomes or is declared unconditional in all respects.

The suspension and cancellation of the admission to trading of FCPT shares will significantly reduce the liquidity and marketability of any FCPT shares not assented to the Offer. In this event there may be no future market for an FCPT shareholder to realise his/her/its investment in FCPT, other than by accepting the Offer.

FCPT shareholders should be aware that, except as provided in paragraph 3 of Part B of Appendix I to the Offer Document in relation to rights of withdrawal, acceptances of the Offer will be irrevocable and accepting FCPT shareholders may not deal in, or otherwise dispose of, any FCPT Shares in respect of which they have accepted the Offer otherwise than pursuant to the Offer or upon the Offer lapsing.

FORWARD LOOKING STATEMENTS

To the extent that this document includes “forward looking statements” concerning the Group, the Company and FCPT, those statements are based on the current expectations of the Board and the Investment Manager and Property Manager of the Company and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates” and words of similar import. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Given these risks and uncertainties, investors should not place undue reliance on forward looking statements as a prediction of actual results. Neither the Company nor FCPT undertakes any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing in this document is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per FCPT share or per New Ordinary Share for the current or future financial periods will necessarily match or exceed the historical published earnings per FCPT share.

Information in this document will be updated as required by the UK Listing Authorities’ Prospectus Rules, Listing Rules and Disclosure and Transparency Rules, as appropriate.

EXPECTED TIMETABLE

	2009
Share Exchange Offer opens	5 June
First Closing Date for the Share Exchange Offer and anticipated date of the Offer becoming unconditional in all respects*	1.00 p.m. on 26 June
Expected date of suspension of the listing on the Official List and of trading on the London Stock Exchange and the Channel Islands Stock Exchange of the existing FCPT shares*	7.30 a.m. on 30 June
Admission and dealings commence in the New Ordinary Shares and CREST accounts credited in respect of the first issue of New Ordinary Shares issued in uncertificated form*	8.00 a.m. on 30 June
Share certificates dispatched in respect of the first issue of New Ordinary Shares in certificated form*	Week commencing 6 July
Expected date of cancellation of the listing on the Official List and of trading on the London Stock Exchange and the Channel Islands Stock Exchange of the existing FCPT shares*	24 July
Final Closing Date (i.e. date by which the Offer will lapse unless the Offer has become unconditional in all respects)	1.00 p.m. on 5 October

* Assuming that the Offer has been declared unconditional in all respects (other than as to Admission) by 26 June 2009. In the event that acceptances are received under the Offer in respect of less than 90 per cent. of the existing ordinary shares in FCPT by the First Closing Date, the Company may extend the acceptance period under the Offer for one or more periods as set out in the Offer Document.

The dates given are based on the Directors' expectations and may be subject to change. If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through a Regulatory Information Service and will be available on FCPT's website at <http://www.fccpt.co.uk>.

All references to times and dates in this document are references to times and dates in London.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors	Peter Niven (<i>Chairman</i>) Donald Lindsay Adamson John Holmes Stephen Brian William Sweetland Nicholas John Mann Tostevin all non-executive and of Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL
Investment Manager	F&C Investment Business Limited 80 George Street Edinburgh EH2 3BU
Property Manager	F&C REIT Property Asset Management plc 5 Wigmore Street London W1U 1PB
Administrator, Secretary and Registrar	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL
Sponsor and UK Legal Adviser	Dickson Minto W.S. Royal London House 22-25 Finsbury Square London EC2A 1DX
Marketing Adviser	G&N Collective Funds Services Limited 14 Alva Street Edinburgh EH2 4QG
Guernsey Legal Adviser	Ozannes 1 Le Marchant Street St. Peter Port Guernsey GY1 4HP
Auditors	KPMG Channel Islands Limited 20 New Street St. Peter Port Guernsey GY1 4AN
Tax Adviser	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Property Valuer	DTZ Debenham Tie Leung Limited 48 Warwick Street London W1B 5NL
Principal Banker	Royal Bank of Scotland plc 22 High Street St. Peter Port Guernsey GY1 4BQ

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Administration and Secretarial Agreement”	the administration and secretarial agreements between the Company, FCPT, the Property Subsidiary and the Administrator, a summary of which is set out at paragraph 7.2 of Part 6 of this document
“Administrator”	Northern Trust International Fund Administration Services (Guernsey) Limited
“Admission”	admission of the New Ordinary Shares, issued and to be issued pursuant to the Issue, to the Official List of the UK Listing Authority and to trading on the London Stock Exchange
“AIC”	the Association of Investment Companies
“Articles” or “Articles of Incorporation”	the articles of incorporation of the Company, a summary of which is set out in section 4 of Part 6 of this document
“Board” or “Directors”	the directors of the Company
“Bondholders”	holders of the Bonds
“Bond Issuer”	F&C Commercial Property Finance Limited
“Bonds”	the £230,000,000 5.23 per cent. secured bonds due 2017 issued by F&C Commercial Property Finance Limited and described in more detail under “Borrowings” in Part 1 of this document
“Company”	New FCPT Limited
“Current Group”	FCPT and its subsidiaries
“Current Net Annual Rent”	total rent received net of ground rents and head rents and less the amounts paid by the landlord for land taxes and maintenance costs incurred solely as a consequence of owning the relevant property
“Enlarged Group”	the Company, FCPT and any subsidiary undertakings of the Company and/or FCPT from time to time
“ERV”	is the open market rent which at the relevant date could reasonably be expected to be obtained on a new letting or rent review of a property net of ground rents and head rents
“Estimated Net Annual Rent”	is based on the current rental value of a property: <ul style="list-style-type: none">(i) ignoring any special receipts or deductions arising from the property;(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans);(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent; and(iv) where a property, or part of it, is let at the date of valuation, the rental value reflects the terms of the lease and, where a property, or part of it, is vacant at the date of valuation, the rental value reflects the rent the Valuer considers would be obtainable on an open market letting as at the valuation date

“Facility Agreement”	the facility agreement between FCPT and the Bond Issuer, a summary of which is set out in paragraph 7.6 of Part 6 of this document
“FCPT”	F&C Commercial Property Trust Limited
“FCPT Property Portfolio”	the direct and indirect property assets currently held by FCPT
“FCPT Shares”	ordinary shares of 1p each in the capital of FCPT
“Final Closing Date”	5 October 2009
“First Closing Date”	1.00 p.m. on 26 June 2009, which is the first closing date of the Offer
“Form of Acceptance”	the form of acceptance and authority relating to the Offer, which accompanies the Offer Document, to be completed by holders of FCPT shares held in certificated form
“FPLP”	Friends Provident Life and Pensions Limited, a wholly owned subsidiary of Friends Provident
“Friends Provident”	Friends Provident plc
“Group”	the Current Group or the Enlarged Group as the context requires
“Indirect Property Funds”	the holdings of the Group in other property companies, funds or joint venture vehicles which invest principally in UK property, including Listed Property Companies
“Initial Yield”	net income divided by the gross Market Value
“Investment Management Agreement”	the investment management agreements between the Company, FCPT, the Property Subsidiary and the Investment Manager, a summary of which is set out in paragraph 7.1 of Part 6 of this document
“Investment Manager” or “FCIB”	F&C Investment Business Limited
“IPD”	Investment Property Databank Limited
“IPD IRIS”	the IPD Rental Information Survey for March 2009
“IPIF”	the IPIF Feeder Unit Trust
“ISA”	Individual Savings Account for the purposes of section 333 of the Income and Corporation Taxes Act 1988
“Issue”	the issue of Ordinary Shares pursuant to the Share Exchange Offer
“Issue Costs”	the costs and expenses payable in respect of the Issue
“Law”	The Companies (Guernsey) Law, 2008
“Listed Property Companies”	companies listed on the UK Listing Authority’s Official List or traded on the Alternative Investment Market of the London Stock Exchange which invest principally in UK property
“Listing Rules”	the Listing Rules of the UKLA
“London Stock Exchange”	London Stock Exchange plc

“Market Value”	the aggregate of the market values of the Properties (or the market value of an individual Property as the case may be) as set out in the Valuer’s report in Part 5 of this document, and/or the values of the Indirect Property Funds as at 30 April 2009 calculated as described in section 1 of Part 4, as the context requires
“MUT”	The Mall Unit Trust
“NAV”	in relation to a share means its net asset value on the relevant date as calculated on the basis of the relevant company’s normal accounting policies
“New Ordinary Shares”	Ordinary Shares issued pursuant to the Issue
“Offer” or “Share Exchange Offer”	the offer for the entire issued share capital of FCPT (excluding any shares held as treasury shares) by the Company as set out in the Offer Document
“Offer Document”	the offer document dated the same date as this Prospectus setting out the terms of the Offer
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shareholders” or “Shareholders”	holders of the Ordinary Shares
“Ordinary Shares” or “Shares”	ordinary shares of 1 pence each in the capital of the Company
“Overseas Shareholders”	FCPT’s or the Company’s shareholders who are resident in, or nationals or citizens of, or whose registered address is in, a jurisdiction outside the United Kingdom or Guernsey, or who are nominees of, or custodians or trustees for, residents, citizens or nationals of other countries
“Properties”	the properties comprised in the Property Portfolio, as more fully described in Parts 4 and 5 of this document, or any of them as the context requires
“Property Manager”	F&C REIT Property Asset Management plc
“Property Portfolio”	the direct and indirect property assets held by the Group from time to time
“Property Subsidiary”	F&C Commercial Property Holdings Limited
“Prospectus”	this document
“Red Book”	the RICS Valuation Standards published by the Royal Institute of Chartered Surveyors
“Relationship Agreement”	the relationship agreement dated 4 June 2009 between the Company and Friends Provident
“Restricted Jurisdiction”	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offer or the Prospectus is sent or made available to a person in that jurisdiction
“Takeover Code”	the City Code on Takeovers and Mergers

“Total Assets”	the aggregate value of the assets of the Group less current liabilities of the Group (which shall exclude any proportion of the principal amounts borrowed for investment treated as current liabilities and any liability of an intra-group nature)
“UKLA” or “UK Listing Authority”	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“United Kingdom or UK”	the United Kingdom of Great Britain and Northern Ireland
“Valuation Date”	30 April 2009
“Valuer”	DTZ Debenham Tie Leung Limited

PART 1

THE COMPANY

Introduction and reasons for the Issue

New FCPT Limited is a new, closed-ended, Guernsey investment company. The Company has been incorporated for the purpose of making an offer to acquire all the issued shares of F&C Commercial Property Trust Limited in connection with a share for share exchange offer to the existing shareholders in FCPT, full details of which are set out in the Offer Document which accompanied this Prospectus. If the Offer is successful, the effect will be that the Company will become the new holding company of FCPT and the new Shareholders of the Company will, except in respect of persons unable to participate in the Issue for legal or regulatory reasons, be the same as the existing shareholders in FCPT, holding the same number of shares in the Company as they held in FCPT immediately prior to the exchange, and the rights attached to the New Ordinary Shares will be the same as the rights attached to the FCPT shares.

Under the Offer, existing shareholders of FCPT are being offered one New Ordinary Share in New FCPT Limited for each existing share in FCPT, conditional on the Company receiving acceptances in respect of 90 per cent. or more of the issued shares in FCPT. If, in respect of any Overseas Shareholder, the Company is advised that the allotment and issue of New Ordinary Shares would or might infringe the laws of any jurisdiction outside the United Kingdom or Guernsey, or would or might require the Company to obtain any governmental or other consent or effect any registration, filing or other formality, the Company may determine that no New Ordinary Shares shall be allotted and issued to such Overseas Shareholder. Instead, such New Ordinary Shares shall be allotted and issued to a nominee appointed by the Company as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after such shareholder becomes entitled to receive New Ordinary Shares, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder.

If the Offer is successful, FCPT will become a wholly owned subsidiary of the Company and the shareholdings in the Company will reflect the current shareholdings in FCPT (under the Offer, shareholders in FCPT will receive exactly the same number of Shares in the Company as they hold in FCPT, subject to any legal or regulatory restrictions on the offer of New Ordinary Shares to Overseas Shareholders).

If the Offer is successful, the Company will be, effectively, a mirror image of FCPT, save as described under "Extension of the Enlarged Group's investment policy" below and save that the New Ordinary Shares in the Company will not be listed or traded on the Channel Islands Stock Exchange. The new Shares in the Company will be listed on the UK Listing Authority's Official List and traded on the London Stock Exchange.

As with FCPT currently, the Company will invest in UK commercial property which will be held indirectly through the Property Subsidiary and any other property holding subsidiaries established by the Board either within the current structure or outwith the current structure under New FCPT Limited. The Company will have a single class of shares in issue, Ordinary Shares, and will be geared through the Group's existing debt finance (the Bonds) and any other borrowings put in place from time to time in accordance with the investment and gearing policy. As with FCPT, the Company will have an indefinite life.

It is expected that the introduction of the Company as the new holding company of FCPT will have the following benefits for the Enlarged Group:

- The Company and any new subsidiaries of the Company, other than the Current Group (i.e. FCPT and its subsidiaries), will not form part of the security structure for the Bonds and will therefore not be subject to the same restrictions. However, initially all of the Enlarged Group's assets will remain part of the secured structure.
- In the event that the Company raises any new equity, it will have considerable flexibility over whether that cash is used within or outside the current secured structure.

- The Company will have more flexibility to incur borrowings in a manner which may be more cost effective than through the Bond structure when the market for securitised bonds is weak. However, it should be noted that the Board does not have any intention at the current time of increasing the Enlarged Group's borrowings.
- The Company will have the ability in the future to acquire or merge with other companies or funds which may themselves have existing debt. FCPT may be restricted from doing that itself under the current structure.
- The extended investment policy of the Enlarged Group will provide the Enlarged Group with flexibility to invest in Listed Property Companies where the Board believes that it is in the best interests of Shareholders to do so.
- The Company will not be subject to the same restrictions as are imposed on FCPT on the use of any surplus cash to pay dividends, buy back shares or otherwise return capital to Shareholders.

It is expected that the total costs and expenses of and incidental to the Issue and the Offer payable by the Group will be approximately £830,000 if the Offer becomes unconditional, being 0.16 per cent. of the net assets of the Current Group as at 30 April 2009.

Extension of the Enlarged Group's investment policy

The Board is not proposing any change to the Current Group's investment policy (i.e. FCPT and its subsidiaries) which will remain the same following the Offer and the Issue, in accordance with the Bond covenants. However, the Board believes it is in the best interests of Shareholders that the investment policy applicable to the Company itself and any new subsidiaries created by the Company (outside the Current Group) be extended to permit up to 15 per cent., at the time of acquisition, of the Group's Total Assets to be invested in Indirect Property Funds, including Listed Property Companies, which invest principally in UK property. The investment policy of the Current Group permits investment of up to 15 per cent. of Total Assets, at the time of acquisition, in Indirect Property Funds but excluding investment in listed investment companies.

It is the Board's current intention that investments will only be made in Listed Property Companies on a tactical basis in order to enhance the income returns on the Group's cash reserves prior to such cash being invested in direct property holdings. It is expected that such investments will only be made in companies meeting quality and liquidity criteria set by the Board and that each investment will not be material in the context of the Group as a whole.

Investment policy

The Company's investment objective is to provide Ordinary Shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

The Company will hold a diversified portfolio of freehold and predominately long leasehold (over 60 years remaining at the time of acquisition) UK commercial properties. It invests principally in three commercial property sectors: office, retail and industrial.

The Company invests in properties which the Board, on the advice of the Investment Manager and/or Property Manager, believes will generate a combination of long-term growth in capital and income for Shareholders. Investment decisions are based on an analysis of, amongst other things, prospects for future capital and income growth, sector and geographical prospects, tenant covenant strength, lease length, and initial and equivalent yields.

Investment risks are spread through investing in a range of geographical areas and sectors, and through letting properties to low risk tenants. The Company has not set any maximum geographic exposures, but the maximum weightings in the principal property sectors at any time (stated as a percentage of Total Assets) are: office: 50 per cent.; retail: 65 per cent.; and industrial: 40 per cent. No single property may exceed 15 per cent. of Total Assets and the five largest properties (excluding Indirect Property Funds) may not exceed 40 per cent. of Total Assets (in each case at the time of acquisition). Short leasehold properties (with less than 60 years remaining) may not exceed 10 per cent. of Total Assets (at the time of acquisition).

The Company is permitted to invest up to 15 per cent., at the time of acquisition, of its Total Assets in Indirect Property Funds which invest principally in UK property but these investments may not exceed 20 per cent. of Total Assets at any subsequent date. The Company is permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits, gilts and money market funds.

The Company uses gearing throughout the Group to enhance returns over the long term. Gearing, represented by borrowings as a percentage of Total Assets, may not exceed 50 per cent. However, the Board's present intention is that borrowings of the Group will be limited to a maximum of 35 per cent. of Total Assets at the time of borrowing.

Any material change to the investment policy of the Company may only be made with Shareholders' approval.

If the Offer becomes unconditional and the Company acquires the share capital of FCPT, the Company will, at all times, (i) invest and manage its assets in a way that is consistent with its object of spreading investment risk and in accordance with its published investment policy and (ii) will not conduct any trading activity which is significant in the context of the Group as a whole.

The Property Portfolio

There are 30 properties in FCPT's current Property Portfolio with a total Market Value of approximately £598,370,000. The Property Portfolio currently provides an income return of 6.2 per cent. on its Market Value (for the 12 months to March 2009). The latest IPD Rental Information Service report for March 2009 ranked the Property Portfolio in the 28th percentile for weighted tenant covenant risk score compared with the IPD Quarterly and Monthly valued funds (with the first percentile being lowest risk and the 100th percentile being the highest risk) therefore indicating a higher than average tenant covenant strength. The average unexpired lease term of the leases of the Properties (weighted by current gross annual rent) is 7.8 years and, other than certain parts of the property at St Christopher's Place which have turnover based rent reviews, all of the rent review provisions in leases of the Properties are upwards only. The Property Portfolio also includes two small holdings in unit trusts which invest in UK commercial property. Further details of the Property Portfolio are set out in Part 4 of this document.

The directly held Properties comprised in the Property Portfolio have been externally valued by the Valuer with a Market Value of £598,370,000 as at 30 April 2009. The valuation report is set out in Part 5 of this document. The two holdings in the unit trusts comprised in the Property Portfolio were valued at £3,529,000 in aggregate as at that date and on the basis set out in section 1 of Part 4 of this document.

It is intended that the Investment Manager and the Property Manager will continue to manage the Property Portfolio actively in accordance with the investment policy of the Group.

The UK commercial property market

The worsening economic environment coupled with the deepening crisis in the financial and banking sectors affected UK commercial property performance severely. Total portfolio returns were -22.3 per cent. in 2008, as recorded by the IPD UK Quarterly Index, making it by far the worst annual IPD performance on record. The speed of this markdown of property was unprecedented. All sectors of the property market have been affected and, while prime property was by no means immune from the downturn, many secondary properties proved to be effectively unsaleable. Performance in the first quarter of 2009 was less adverse than in the last quarter of 2008 but with total returns of -7.1 per cent. it remains weak by past standards.

Due to the virtual shutdown of the debt markets and concern about market prospects, investment activity remained subdued in 2008 and 2009 to date with transactions totalling only £25 billion in year 2008 and under £4 billion in the first quarter of 2009, significantly down on the £56 billion recorded in 2007. The main sellers of stock have been open ended funds affected by continued redemptions and leveraged investors. A general flight to quality has been witnessed with property fundamentals coming back to the fore and the quality of tenant covenants and rental profile being heavily scrutinised. Investors and real estate valuers increasingly focused on initial rather than equivalent yields as risk perceptions changed.

The intensification of the credit crisis during the final quarter of 2008 saw IPD initial yields at 6.9 per cent. at the year end, having moved out by 190 basis points over the course of the year, more than half of which occurred during the final quarter, and yields have moved up further in early 2009, although the pace has slowed. In contrast, the occupational markets have seen a deterioration over the course of the year. In the first quarter of 2009 rents fell by 3 per cent. after a 1.5 per cent. fall in the fourth quarter of 2008. All sectors are recording a decline in rental values, with offices at -6 per cent. much weaker than retail at -1.7 per cent. and industrial at -1.1 per cent. Incentives offered to tenants have increased. The weakness in the occupational markets has been witnessed in the retail market with a number of high profile retail failures. The number of defaults and the reduced propensity of tenants to renew at lease expiry were reflected in a rise in void rates. Voids in the IPD UK Monthly Index in April 2009 equated to almost 12 per cent. of rental income at the all property level, up from 7.9 per cent. at the peak of the market in 2007.

The IPD UK Monthly Index shows the fall in total returns moderating but still negative with -1.6 per cent. recorded in April to give a total return of -8.6 per cent. in the period January-April 2009.

Capital structure

Share capital and duration

The Company's share capital structure will consist solely of Ordinary Shares. The Company does not have a fixed life. At the annual general meeting of the Company to be held in 2015, the Directors will propose an ordinary resolution for the continuation of the Company. If the continuation resolution is not passed, the Directors will be obliged to convene a general meeting within six months to consider the winding up of the Company or a reconstruction of the Company which offers all Shareholders the opportunity to realise their investment. If the continuation resolution is passed, the Directors will propose a similar resolution at the annual general meeting of the Company five yearly thereafter.

Further issues of Ordinary Shares

In accordance with the articles of incorporation and Guernsey Law, the Directors will have unlimited authority to allot further shares of the Company following Admission. In accordance with the Listing Rules, such authority shall only be exercised in respect of issues on a pre-emptive basis to all Shareholders (subject to regulatory restrictions) or at an issue price equal to or above the prevailing NAV, unless otherwise approved by Shareholders.

Treasury shares

The Company will have the ability to hold up to ten per cent. of its issued share capital in treasury, as described in more detail below under "Share buy backs and continuation votes".

Borrowings

The Company will have the power under its Articles to borrow an amount up to 65 per cent. of the Group's gross assets as defined in its Articles. It is the present intention of the Directors that the aggregate borrowings of the Group will be limited to a maximum of 35 per cent. of the Group's Total Assets at the time of drawdown.

FCPT incurred borrowings through the issue of £230,000,000 of secured bonds due 2017 and which have been assigned an 'Aaa' rating by Moody's Investors Services. FCPT currently has no other borrowings.

A special purpose vehicle, F&C Commercial Property Finance Limited (the "Bond Issuer"), was incorporated to be the issuer of the Bonds. The Bonds are listed on the Official List of the UK Listing Authority and are admitted to trading on the London Stock Exchange's market for listed securities. The Bonds carry interest at a fixed rate of 5.23 per cent. per annum.

It is expected that the Bonds will be repaid in full on 30 June 2015 although the final maturity date of the Bonds is 30 June 2017. The Bonds are secured by means of fixed and floating charges over the assets of the Current Group.

The fixed and floating charges over the assets of the Current Group, securing the Bonds, will not cover assets of the Company outwith the Current Group, nor will they cover assets of subsidiaries of the Company incorporated outwith the Current Group structure.

Under the terms of the Bonds, FCPT would be required to pay an amount in excess of their principal amount of £230 million on their early repayment based on a "Spens" formula. It is estimated that, as at 3 June 2009, the current cost for full prepayment of the Bonds on this basis would amount to £258.7 million (i.e. an excess of £28.7 million).

As at 30 April 2009, the principal amount of the Bonds represented 30.5 per cent. of the Current Group's Total Assets. Net of the Current Group's cash reserves of £165.5 million, this equated to net gearing of 10.9 per cent. Neither the Company nor the Current Group has any borrowings other than the Bonds.

The Directors of the Company have no current intention of increasing the aggregate borrowings of the Group but intend to keep the level of the Company's borrowings under review and may do so in the future within the limits set out in the Company's investment policy in order to finance future investments. The Directors are currently of the view that retaining the current borrowings of the Current Group will enhance the returns for Shareholders over the long term.

Dividends

As noted in the Current Group's annual report and accounts sent to shareholders in FCPT on 31 March 2009, the Current Group's net rental income remained healthy during the year ended 31 December 2008. However, the current economic position, and the Current Group's significant cash reserves which are earning very little income, are highly likely to impact adversely the Group's income position for the current financial year.

The rebasing of the Current Group's investment management fee in 2008 combined with the asset management initiatives taken since FCPT's launch in 2005 have strengthened the Current Group's income position. The reduction in the base management fee equates to an annualised saving of approximately £1.2 million based on the Total Assets of the Current Group as at 31 December 2008. The payment of any future performance fee would reduce the Group's net income.

The quality of the tenants in the Property Portfolio remains high with over 69 per cent. of the Group's rental income being paid by tenants rated low or negligible risk by IPD.

The Board is very conscious of the importance Shareholders place on a sustainable and transparent dividend and that the monthly dividend paid on the Shares is a valuable income stream for Shareholders. The Directors intend to keep under review what level of dividend is transparent and sustainable, in particular in the light of ongoing economic conditions, the level of rental income received by the Group and progress in investing the Group's cash reserves.

The Board intends that dividends will be paid monthly by the Company. While there remain any shareholders in FCPT other than the Company, it is expected that dividends will continue to be paid to those shareholders by FCPT on a monthly basis in accordance with the announcement dated 26 November 2008. During this period, dividends received by the Company on shares in FCPT held by the Company as a result of acceptances under the Offer will be distributed as dividends immediately upon receipt to holders of Ordinary Shares in the Company. As a result, shareholders will not be advantaged or disadvantaged by holding shares in the Company or in FCPT, or by the timing of accepting the Offer to exchange shares in FCPT for shares in the Company. All dividends will be paid as interim dividends.

In relation to the payment of dividends, on 1 July 2008, The Companies (Guernsey) Law, 2008 came into force in Guernsey. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of The Companies (Guernsey) Law, 2008 was to replace the capital maintenance requirements in respect of dividend and distribution payments and requirements for distributions to be made from distributable profits (similar to that to which UK companies are subject and formerly applicable to Guernsey companies) with a solvency based test. The use of the solvency test now requires the directors of a company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the Board to make a future assessment of solvency by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the Directors believe that the solvency test cannot be passed, then no payment may be made.

It should be noted that the Company, FCPT and the Property Subsidiary are all resident outside of the UK for tax purposes. The Property Subsidiary generates rental income from a portfolio of UK

properties held directly and via certain indirect holdings. UK income tax (currently at the rate of 20 per cent.) is payable by the Property Subsidiary on the net rental income (as computed for the purposes of UK taxation) arising on the portfolio. In computing the net rental income of the Property Subsidiary, a deduction is available for interest payable by the Property Subsidiary to FCPT on loans made to the Property Subsidiary for the purposes of its rental business, to the extent that the amount of interest payable does not exceed the amount of interest that would be payable by the Property Subsidiary had it borrowed from a third party on arm's length terms. In the event that HMRC were successfully to show that the terms, including the quantum, of the loans from FCPT to the Property Subsidiary were excessive, compared to the terms which would be negotiated between parties dealing at arm's length, any interest costs attributable to that excess would not be deductible for UK tax purposes, with the result that the Property Subsidiary's net rental income liable to tax would be increased which might have an adverse effect on the Company's ability to pay dividends to Shareholders at the current rate, or indeed at all. The Company and FCPT have been advised that the current proposal for the Company to be inserted as the new holding company of FCPT through the Offer and the Issue should not affect the Group's position in this regard either adversely or beneficially.

Share buy backs and continuation votes

The Directors will have authority to buy back up to 14.99 per cent. of the Company's Ordinary Shares in issue and will seek annual renewal of this authority from Shareholders. Any buy back of Ordinary Shares will be made subject to Guernsey law and within any guidelines established from time to time by the Board (which will take into account the income and cash flow requirements of the Company) and the making and timing of any buy backs will be at the absolute discretion of the Board. Purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing net asset value of the Ordinary Shares (as last calculated) where the Directors believe such purchases will enhance Shareholder value. Such purchases will also only be made in accordance with the rules of the UK Listing Authority, which provide that the price to be paid must not be more than the higher of: (i) five per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made; and (ii) the higher of the last independent bid and the highest current independent bid on the London Stock Exchange.

Any shares purchased will be cancelled or held in treasury within limits set by the Board from time to time. The Board has currently set the following limits:

- no more than 10 per cent. of the Company's issued Shares will be held in treasury at any time; and
- Shares will only be re-issued out of treasury at a premium to the net asset value.

It is the intention of the Directors that the share buy back authority will be used to purchase Ordinary Shares (subject to the income and cash flow requirements of the Company and where the Directors believe the price available to be in the best interests of Shareholders as a whole) if the share price of an Ordinary Share is more than 5 per cent. below the published net asset value for a continuous period of 20 dealing days or more. To ensure a fair comparison, the Directors believe that such discount should be calculated by adjusting the published net asset value for any dividends for which the share price has gone ex-dividend.

In the event that Ordinary Shares in the Company trade at a discount of more than 5 per cent. for 90 dealing days or more following the second anniversary of the FCPT continuation vote (1 May 2009), the Directors will convene a general meeting to be held within three months to consider an ordinary resolution for the continuation of the Company. If this continuation resolution is not passed, the Directors will convene a further general meeting to be held within six months of the first general meeting to consider the winding up of the Company or a reconstruction of the Company which offers all Shareholders the opportunity to realise their investment. If any such continuation resolution is passed, this discount policy, save in respect of share buy backs, would not apply for a period of two years thereafter.

Rule 9 of the Takeover Code

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of a company, a general offer will normally be required if any further shares are acquired.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director of a company nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buyback by the Company of Ordinary Shares could, therefore, have implications under Rule 9 for Shareholders with significant shareholdings.

Friends Provident's subsidiaries own and are entitled to exercise the votes attached to 342,300,000 shares in FCPT (being 50.3 per cent. of FCPT's issued share capital) and have given irrevocable undertakings to the Company to accept the Offer.

Of this 50.3 per cent. holding, Friends Provident Life & Pensions Limited holds approximately 38.2 per cent. of FCPT's issued share capital and has confirmed to the Board that its holding forms a core part of its commercial property exposure and that its current intention is to maintain that holding for the foreseeable future. Friends Provident Life Assurance Limited holds approximately 11.5 per cent. of FCPT's issued share capital and has informed the Board that it is likely to reduce its holding in FCPT over the short term. The Board intends to work with Friends Provident Life Assurance Limited to ensure that such investment can be realised in an orderly and responsible manner.

For the purposes of the Takeover Code these subsidiaries are likely to be deemed to be acting in concert with each other and may be deemed to be acting in concert with any other funds managed by F&C Asset Management plc which have an interest in the Company from time to time (the "Concert Party"). If at any time the Concert Party (or any other person) holds 30 per cent. or more of the issued share capital of the Company but less than 50 per cent. of the issued share capital of the Company, the Company's ability to buy back Shares from parties other than the Concert Party (or *pro rata*) will be restricted unless the Company goes through the Takeover Panel "whitewash procedure", which would require putting a resolution to independent shareholders to approve the buyback.

In the event that the Concert Party's (or any other party or parties deemed to be acting in concert) holding is 30 per cent. or more of the issued share capital of the Company but less than 50 per cent. of the issued share capital, then the Board intends to consult with the Panel on Takeovers and Mergers to seek its agreement, subject to the approval of independent Shareholders voting on a poll, to waive any obligation that would otherwise arise under Rule 9 of the Takeover Code for the Concert Party to make a general offer for the Shares which they do not already own as a result of the exercise by the Company of any buyback powers.

At such a time, until such resolution is proposed and passed, the Company's ability to buy back Shares from parties other than the Concert Party (or *pro rata*) may be restricted.

Change of name

The Company has passed a resolution changing the Company's name from "New FCPT Limited" to "F&C Commercial Property Trust Limited", conditional only upon FCPT changing its name from "F&C Commercial Property Trust Limited" to another name. Provided that the Offer becomes unconditional, the Company intends to pass a resolution of FCPT to change its name from "F&C Commercial Property Trust Limited" to "FCPT Holdings Limited" which will also trigger the change in the Company's name. Therefore, shortly after the Offer becomes unconditional, the name of the top company in the Group's structure, and the Company listed on the UKLA's Official List and traded on the main market of the London Stock Exchange, will again be F&C Commercial Property Trust Limited.

PART 2

ADDITIONAL INFORMATION

Group structure

The Company is a new Guernsey incorporated closed ended investment company, without a fixed life. The Company has received authorisation in principle as an authorised closed ended investment scheme from the Guernsey Financial Services Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Authorised Closed Ended Investment Scheme Rules 2008 made thereunder, and final authorisation will be applied for prior to the First Closing Date. The share capital of the Company, consisting solely of Ordinary Shares, will be listed on the Official List and traded on the main market of the London Stock Exchange. The Ordinary Shares will not be listed or traded on the Channel Islands Stock Exchange. The Ordinary Shares will have a nominal value of 1p each.

The share for share exchange Offer being made to shareholders of FCPT is conditional, *inter alia*, on the Company receiving acceptances under the Offer in respect of 90 per cent. or more of the issued shares in FCPT. If the Company does not receive acceptances in respect of at least 90 per cent. of the issued shares in FCPT by the Final Closing Date then the Offer will not proceed, no New Ordinary Shares in the Company will be issued, shareholders in FCPT will retain their existing shares in FCPT and the Company (i.e. New FCPT Limited) will be wound up.

If the Company does receive acceptances in respect of at least 90 per cent. of the issued shares in FCPT by the Final Closing Date then the Offer will become unconditional and the Company will acquire all those shares in FCPT which have been validly tendered (in exchange for the issue of New Ordinary Shares in the Company) and will initiate the squeeze out procedure in accordance with section 337 of The Companies (Guernsey) Law, 2008 to compulsorily acquire all the shares in FCPT not acquired by the Company at that date.

FCPT will remain the holding company of the Property Subsidiary, which is a Guernsey incorporated company, and is wholly owned by FCPT. Its directors are the same as those of the Company and the Company will be able to control the investment policy of FCPT and the Property Subsidiary to ensure that they comply with the investment policy of the Company and the investment restrictions that apply to the Company.

Whilst the Property Subsidiary has agreed to hold the current property assets on behalf of the Group, the structure to be used for each acquisition of property assets in the future will be reviewed at the time of acquisition and the Company may invest in property assets by means of any structure which is considered to be appropriate in the circumstances of the proposed acquisition. Accordingly, the Company may, without limit, incorporate further subsidiaries to hold property assets or may acquire the share capital of companies or partnership interests in partnerships which own one or more properties, all of which would be wholly owned by the Group. In particular, the Company may incorporate further subsidiary holding companies outside of the Current Group structure (FCPT and its subsidiaries) as direct subsidiaries of the Company in order that such subsidiaries and their property investments be held outside the Bond security structure. The Group may also, from time to time, transfer properties or indirect property investments between the Current Group and subsidiaries of the Company outside the Current Group to manage the Group's business, assets, cash flows and compliance with Bond covenants.

Directors

The Directors, all of whom are non-executive and, other than Mr Sweetland, independent of the Investment Manager, are responsible for the determination of the investment policy of the Group and its overall supervision. The Directors are as follows:

Peter Niven (Chairman), aged 54, is a resident of Guernsey. He has worked in the financial services industry in the UK and offshore for 33 years, most recently as Chief Executive of Lloyds TSB Group's offshore banking operations, until his retirement from the bank in June 2004. A Fellow of the Institute of Bankers and a Chartered Director, he has served as a director of many

Lloyds TSB group companies. He is currently a director of a number of Guernsey based investment companies including Resolution Limited and Dexion Trading Limited. He is also Chief Executive of Guernsey Finance LBG.

Donald Adamson, aged 50, is a resident of Jersey. He has 28 years of experience of fund management, stock broking and private equity. He currently serves as a director or chairman of a number of listed or private investment companies including Cambium Global Timberland Limited, JPMorgan Progressive Multi-Strategy Fund Limited, Lindsell Train Investment Trust plc and Invesco Leveraged High Yield Fund Limited. He is chairman of the AIC Offshore Committee.

John Stephen, aged 59, is a UK resident. He is Chairman for England of Jones Lang LaSalle, real estate advisers. He is a Fellow of the Royal Institution of Chartered Surveyors, sits on the Policy Committee of the British Property Federation and has over 35 years of property experience with Jones Lang LaSalle. He is a director of Max Property Group plc. He is also a strategic adviser to Evans Property Group and a trustee of the Portman Estate.

Brian Sweetland, aged 64, is a UK resident. He was, until May 2005, an executive director of Friends Provident plc and a member of its investment committee. As a solicitor, he was the company secretary of Friends Provident plc for 20 years to the end of 2004 and was formerly a non-executive director of Benchmark Group plc and F&C Asset Management plc. He sits on a committee that provides non-investment related advice to F&C Asset Management plc's range of socially responsible investment products.

Nicholas Tostevin, aged 56, is a resident of Guernsey. He is an Advocate of the Royal Court of Guernsey and was, until May 2009, the senior partner of Babbé. He has given legal advice on commercial property transactions in Guernsey for over 25 years. He was a member of the Guernsey legislature, the States of Deliberation, from 1991 to 1997 and was a member of the Guernsey Income Tax Authority for six years. He is a non-executive director of a number of captive insurance companies and Guernsey-based investment companies, including Gottex Market Neutral Trust Limited, a London listed fund of hedge funds.

Mr Sweetland was, until May 2005, an executive director of Friends Provident, which is the ultimate holder of 52.05 per cent. of the share capital of F&C Asset Management plc ("F&C"), the parent company of the Investment Manager, and is FCPT's majority shareholder. He currently sits on a committee that provides non-investment related advice to F&C's range of socially responsible investment products. Until that advisory role ceases, he may not be regarded as an independent Director and will be subject to annual re-election by Shareholders. As a non-independent Director, Mr Sweetland will not be a member of the Audit Committee or the Management Engagement Committee of the Company. All the other Directors are considered by the Board to be independent of the Investment Manager. Save as disclosed above, the Company and the Directors are not aware of any conflicts of interest or potential conflicts of interest between (i) any duties of the Directors to the Company and the Group and (ii) their private interests or other duties.

Investment Manager and Property Manager

The Company, as with FCPT, is managed by F&C Investment Business Limited ("FCIB" or the "Investment Manager"), a wholly owned subsidiary of F&C Asset Management plc and FCIB has, again as is currently the case with FCPT, agreed to delegate the property management arrangements to F&C REIT Property Asset Management plc (the "Property Manager"), a subsidiary of F&C REIT Asset Management LLP. F&C REIT Asset Management LLP is the result of the combination in 2008 of the F&C group's property management business with REIT Asset Management. Notwithstanding the delegation of some of the management functions, FCIB will remain the Group's investment manager.

The F&C group has £92.7 billion of funds under management in the UK and Europe (as at 31 March 2009). The shares of F&C Asset Management plc are traded on the London Stock Exchange. F&C Asset Management plc's ultimate parent company is Friends Provident, which is also the Company's majority shareholder. Friends Provident has announced its intention to make a pro-rata distribution of its stake in F&C Asset Management plc to its shareholders and on 26 May 2009 posted a circular to its shareholders setting out such proposals and indicating that it expected, subject to (i) Court approval of the distribution, (ii) the approval of its shareholders and (iii) Court approval of the wider Friends Provident reorganisation, that the demerger would

become effective on 3 July 2009. The Court hearings to sanction the wider Friends Provident reorganisation are expected to be held on 12 June 2009. The Court hearing in relation to the distribution of its stake in F&C Asset Management plc is expected to be held on 2 July 2009.

The F&C group provides investment management and other services to a range of investment companies. In addition, through F&C REIT, it is one of the largest property managers in the UK. F&C REIT has property funds under management of £7.7 billion (as at 31 March 2009), and manages property investments on behalf of a wide range of clients including the Company, ISIS Property Trust Limited and IRP Property Investments Limited.

The key property personnel at F&C REIT who will be responsible for managing the Property Portfolio are:

Paul Herrington, BSc, MRICS, aged 51, is managing director of F&C REIT Property Asset Management plc and has joint responsibility for the F&C REIT Group's property funds under management. He is a chartered surveyor with 29 years' experience in the property industry. He joined the F&C group in 1988 having previously worked with the Valuation Office of the Inland Revenue, in private practice and with a number of property companies. He is Chairman of the Association of British Insurers Property Investment Panel and a member of the Bank of England Property Forum, the Government's Property Consultative Group, the British Property Federation General Council, the British Council for Shopping Centres and the British Council for Offices.

Richard Kirby, BSc, MRICS, aged 41, is a chartered surveyor and director of property funds at F&C REIT Property Asset Management plc and has been responsible for managing the property portfolio of the Group since launch in 2005. He has a degree in estate management and has worked for F&C Property Asset Management plc and then F&C REIT Property Asset Management plc for over 19 years. He has been a fund manager since 1995 and has experience of running a number of property portfolios including FPLP. He is a member of the British Council for Shopping Centres.

The Company and the Current Group have entered into arrangements (together referred to in this document as the "Investment Management Agreement") by which FCIB has been appointed as investment manager to the Company and the Current Group. Under the Investment Management Agreement, FCIB has been appointed with responsibility for the management of the Group's assets, subject to the overall supervision of the Directors, and to provide certain administrative services to the Group. The Investment Manager will manage the Group's investments in accordance with the policies laid down by the Directors and in accordance with the investment restrictions referred to in the Investment Management Agreement and this Prospectus. The Investment Manager and Property Manager have in place an allocation policy to ensure that they are able to resolve fairly any potential conflicts between the various property funds that they manage. This policy will generally allocate an investment opportunity to the fund whose investment criteria most closely match the investment opportunity.

Under the Investment Management Agreement, the Investment Manager is entitled to receive an aggregate base management fee per annum from the Group, payable quarterly in arrears, at the rate of 0.6 per cent. per annum of the Group's invested assets (including Indirect Property Funds) and 0.25 per cent. per annum of the net uninvested assets, payable quarterly in arrears. The Investment Manager is also entitled to a performance fee equal to 20 per cent. of the amount by which the total return (whether positive or negative) on the directly held Properties (i.e. excluding Indirect Property Funds) exceeds 110 per cent. of the total return (90 per cent. if the total return is negative) on the benchmark and multiplied by the Group's average Total Assets (excluding any Indirect Property Funds and listed investments). The benchmark for measuring the comparative performance of directly held properties is the total return of the IPD All Quarterly and Monthly Funds. The performance fee payable in each financial year is capped at an amount which, when taken with the aggregate base management fee payable in each financial year, equals 1.0 per cent. of the Total Assets of the Group. Performance fees in excess of this capped amount may be carried forward for up to a three year period and the performance fee payable in respect of any one financial year is equal to the total performance fee earned over that three year period less any performance fees already paid in the previous two years. In the event that the amount already paid in the previous two years is in excess of the amount earned over the rolling three year period, such excess shall be repaid to the Group by the Investment Manager.

The Investment Manager is also currently entitled to an administrative fee of £109,768 per annum payable quarterly in arrears (which will increase or decrease annually in line with inflation). The fees of any managing agents appointed by the Investment Manager will be payable out of its management fees. The Investment Manager shall be permitted to retain commissions in respect of insurance put in place by it on behalf of the Group.

The Investment Management Agreement is terminable by any of the parties to it on six months' notice. Further details of the Investment Management Agreement are set out in paragraph 7.1 of Part 6 of this document.

The Investment Manager is responsible for the determination and calculation of the Group's net asset value statements.

Administration and secretarial arrangements

Northern Trust International Fund Administration Services (Guernsey) Limited will provide administration and secretarial services to the Enlarged Group and registrar services to the Company as set out in the Administration and Secretarial Agreement between the Administrator and the Group on similar terms as the Administrator currently provides those services to the Current Group. The Administrator will continue to receive a fee of £50,000 per annum, payable quarterly in arrears. The Administration and Secretarial Agreement can be terminated by any party on 90 days' prior notice. Further details of the Administration and Secretarial Agreement are set out in paragraph 7.2 of Part 6 of this document.

Solicitors appointed by the Group will hold the property deeds on behalf of the Group.

Annual expenses

The principal annual expenses of the Enlarged Group will be the fees payable to the Investment Manager, the Administrator, the Valuer and the Directors. The Group will also incur regulatory fees, legal fees, rent review fees, letting fees, insurance costs, audit fees and other expenses. It is estimated that the total expenses of the Group for the period ending 31 December 2009 (excluding any performance fee payable to the Investment Manager, the costs of the Offer and the Issue and refurbishment costs, non-recurring property expenditure and capital expenditure, but including irrecoverable VAT) will not exceed 0.9 per cent. per annum of the Total Assets as at 30 April 2009.

Accounting policy

The audited accounts of the Enlarged Group will continue to be prepared under International Financial Reporting Standards ("IFRS"). Under IFRS, the Group will prepare an income statement which includes net realised and unrealised investment gains. The Company's management and administration fees, finance costs and all other expenses will be charged through the income statement.

Shareholder information

The Company's annual report and accounts (which will consolidate the accounts of the Company, FCPT, the Property Subsidiary and F&C Commercial Property Finance Limited and any other subsidiaries of the Enlarged Group) will be prepared up to 31 December each year and it is expected that copies will be sent to Shareholders in the following April. Shareholders will also receive an unaudited interim report covering the six months to 30 June each year, expected to be despatched in the following August. The first financial period of the Company will cover the period ending 31 December 2009. The first financial report and accounts that Shareholders will receive will be the unaudited consolidated interim report for the Group for the period ending 30 June 2009 which will be sent to all new Shareholders in the Company and all remaining shareholders in FCPT at the time of its publication.

Properties will be valued by an external valuer quarterly. The net asset value attributable to the Ordinary Shares will be published quarterly based on the Properties' most recent valuation and calculated in accordance with IFRS and the Company's accounting policies. The net asset value will be published on the London Stock Exchange as soon as practicable after the end of the relevant quarter.

The Offer and the Issue

The Issue of New Ordinary Shares in the Company is conditional upon the Company receiving acceptances under the Share Exchange Offer for at least 90 per cent. of the issued shares in FCPT and upon Admission of the New Ordinary Shares in the Company to the UKLA Official List and to trading on the London Stock Exchange becoming effective.

The Directors believe that the profile of a typical investor in the Company is an institution or professionally advised individual who is seeking income and capital growth from investing in a diversified portfolio of commercial property and who understands and accepts the risks inherent in the Company's investment policy.

Shares issued pursuant to the Issue will be issued in registered form and may be held either in certificated form or settled through CREST. Where shares in FCPT are tendered under the Offer through CREST, New Ordinary Shares in the Company resulting from the exchange of those shares will be issued through CREST to those persons tendering the relevant shares. Where shares in FCPT are tendered under the Offer in certificated form, New Ordinary Shares in the Company resulting from the exchange of those shares will be issued in certificated form to those persons tendering the relevant shares. It is expected that definitive certificates in respect of the Ordinary Shares will, where requested, be despatched by post within 14 days of the allotment and issue of the relevant Shares. Temporary documents of title will not be issued. It is expected that New Ordinary Shares will be credited to CREST accounts and that dealings in the New Ordinary Shares will commence on the second business day following the Offer becoming unconditional. The ISIN number of the New Ordinary Shares is GG00B4ZPCJ00. New Ordinary Shares will be issued periodically in exchange for FCPT shares in respect of which the Offer is accepted as set out in more detail in the Offer Document.

If the Issue proceeds, a total of 680,537,003 New Ordinary Shares will be issued. It is expected that the costs of the Offer and the Issue will be approximately £830,000 (being equal to 0.16 per cent. of the net assets of the Current Group as at 30 April 2009). In the event that the Offer does not become unconditional, FCPT will bear abort costs of approximately £660,000 (being equal to 0.13 per cent. of the net assets of the Current Group as at 30 April 2009). The terms of the Offer are set out in full in the Offer Document. The First Closing Date for the Offer is 26 June 2009. In the event that acceptances have been received in respect of less than 90 per cent. of the issued share capital of FCPT by that date, the Company may, at its discretion, extend the Offer period. Applications under the Offer should be made in accordance with the Offer Document accompanying this Prospectus. Applications once made may not be withdrawn.

The results of the Offer will be announced through a Regulatory Information Service promptly upon the Offer becoming unconditional, being extended or lapsing.

The New Ordinary Shares will be issued on the basis of one New Ordinary Share in exchange for each existing FCPT share tendered. The premium per share will therefore be equal to the price of an FCPT share at the time of the exchange less 1 pence because the Ordinary Shares have a nominal value of 1 pence each. There is no minimum holding of existing shares in FCPT required in order to participate in the Share Exchange Offer and there will be no scaling back of entitlements under the Share Exchange Offer except that investors who are unable to participate in the Share Exchange Offer for legal or regulatory reasons will be treated as follows. If, in respect of any Overseas Shareholder, the Company is advised that the allotment and issue of New Ordinary Shares would or might infringe the laws of any jurisdiction outside the United Kingdom or Guernsey, or would or might require the Company to obtain any governmental or other consent or effect any registration, filing or other formality, the Company reserves the right to determine that no New Ordinary Shares shall be allotted and issued to such Overseas Shareholder pursuant to the Offer. Instead, any New Ordinary Shares to which any such Overseas Shareholder may otherwise be entitled pursuant to the Offer shall be allotted and issued to a nominee appointed by the Company as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after such shareholder becomes entitled to receive New Ordinary Shares, with the Overseas Shareholder concerned being entitled to receive the net cash proceeds of sale, in pounds sterling, at the risk of such shareholder.

680,537,003 New Ordinary Shares are available under the Share Exchange Offer. FCPT currently has 680,537,003 ordinary shares in issue.

Under The Companies (Guernsey) Law, 2008, if within four months after the date of making an offer to transfer and/or acquire shares or any class of shares in a company, the offer is accepted by shareholders comprising 90 per cent. or more in value of the shares affected (excluding shares held as treasury shares) the offeror may, within two months after the expiration of those four months, give notice to any dissenting shareholder that it desires to acquire his/her/its shares. Where a notice to acquire is given, the offeror is entitled and bound to acquire those shares on the same terms on which the shares of the accepting shareholders are to be transferred to the offeror.

The offeror must, on the expiration of one month from the date of the notice to acquire:

- a. send a copy of the notice to the target company; and
- b. pay or transfer to the target company the consideration required under the notice in respect of the shares it is entitled to acquire.

The target company must then register the offeror as the holder of the shares.

Any consideration shares or sums received by the target company must be paid into a separate bank account, or held separately, and any such sums and any other consideration so received has to be held by the target company on trust for the shareholders entitled to the shares in respect of which the said sum or other consideration was respectively received.

A dissenting shareholder may, within one month after the date of a notice to acquire, apply to the court to cancel that notice. The court, on such an application, may cancel the notice or make such an order as it thinks fit.

As indicated above in Part 1 of the Prospectus, the Offer is conditional on the Company receiving acceptances in respect of at least 90 per cent. of the issued share capital of FCPT and, if such level of acceptances is reached, the Offer will become unconditional and the Company will exercise its rights under the Law to compulsorily acquire any remaining shares in FCPT on the same terms as under the Offer. No New Ordinary Shares will be issued or admitted to listing and trading prior to the Offer becoming unconditional.

In the event that the Offer becomes or is declared unconditional in all respects, FCPT will apply for the cancellation of the listing of the FCPT shares on the Official List and the Channel Islands Stock Exchange and for cancellation of trading in FCPT shares on the London Stock Exchange's main market for listed securities and on the Channel Islands Stock Exchange. It is anticipated that such cancellations of listing and trading will take effect 20 business days after the Offer becomes or is declared unconditional in all respects. It is also anticipated that the listing of, and trading in, the FCPT shares on the London Stock Exchange's main market and the Channel Islands Stock Exchange will be suspended on the second business day after the Offer becomes or is declared unconditional in all respects.

The suspension and cancellation of the admission to trading of FCPT shares will significantly reduce the liquidity and marketability of any FCPT shares not assented to the Offer. In this event there may be no future market for an FCPT shareholder to realise his/her/its investment in FCPT, other than by accepting the Offer.

Relationship with Friends Provident

Friends Provident's subsidiaries own and are entitled to exercise the votes attached to, in aggregate, 342,300,000 shares in FCPT (being 50.3 per cent. of FCPT's issued share capital) and have given irrevocable undertakings to the Company that they will accept the Offer.

Of this 50.3 per cent. holding, Friends Provident Life & Pensions Limited holds approximately 38.2 per cent. of FCPT's issued share capital and has confirmed to the Board that its holding forms a core part of its commercial property exposure and that its current intention is to maintain that holding for the foreseeable future. Friends Provident Life Assurance Limited holds approximately 11.5 per cent. of FCPT's issued share capital and has informed the Board that it is likely to reduce its holding in FCPT over the short term. The Board intends to work with Friends Provident Life Assurance Limited to ensure that such investment can be realised in an orderly and responsible

manner. As set out above, Friends Provident has indicated that it intends to accept the Offer in respect of its subsidiaries' entire holding of shares and it is therefore expected that, if the Offer becomes unconditional, Friends Provident will hold in aggregate 50.3 per cent. of the issued share capital of the Company immediately after completion of the Offer and the statutory squeeze out process, prior to any selling down.

Friends Provident and the Company have entered into a Relationship Agreement which provides, *inter alia*, that, for so long as Friends Provident and its associates exercise, or control the exercise of, 30 per cent., or more of the voting rights of the Company, Friends Provident will not, and will procure that its associates will not:

- (i) seek to nominate directors to the Board who are not independent of Friends Provident or its associates;
- (ii) take, in its capacity as a beneficial holder of any Ordinary Shares, any action which would be detrimental to the general body of Shareholders;
- (iii) take any action which may result in the Investment Manager, the Property Manager or any of the Directors not being able to carry out its or their duties independently of Friends Provident or its associates (provided that this obligation shall cease to be applicable to the Investment Manager and/or the Property Manager to the extent that either ceases to be part of the Friends Provident group); or
- (iv) permit Friends Provident or any of its associates to enter into any transaction or relationship with the Company other than at an arm's length and on a normal commercial basis.

For this purpose, any action which has the support or recommendation of a majority of the Directors, or voting by Friends Provident or its associates at any general meeting convened by the Board, shall be deemed not to be detrimental. Full details of the Relationship Agreement are set out in paragraph 7.5 of Part 6 of this document.

The Board of the Company comprises four independent Directors and one non-independent Director. The Board will have overall responsibility for the Company's activities and will supervise the relationship between the Company and Friends Provident as the majority shareholder.

Friends Provident currently owns 52.05 per cent. of the issued share capital of F&C Asset Management plc. F&C Investment Business Limited, the Company's Investment Manager, is a wholly owned subsidiary of F&C Asset Management plc. F&C REIT Property Asset Management plc, to whom FCIB has delegated the property management functions under the Investment Management Agreement, is wholly owned by F&C REIT Asset Management LLP which, in turn, is owned 70 per cent. by F&C Asset Management plc and 30 per cent. by the owners of REIT Asset Management. Friends Provident has announced its intention to make a pro-rata distribution of its stake in F&C Asset Management plc to its shareholders and on 26 May 2009 posted a circular to its shareholders setting out such proposals and indicating that it expected, subject to (i) Court approval of the distribution, (ii) the approval of its shareholders and (iii) Court approval of the wider Friends Provident reorganisation, that the demerger would become effective on 3 July 2009. The Court hearings to sanction the wider Friends Provident reorganisation are expected to be held on 12 June 2009. The Court hearing in relation to the distribution of its stake in F&C Asset Management plc is expected to be held on 2 July 2009.

The F&C group also manages certain Friends Provident funds, including those funds which are covered by the Relationship Agreement described above (no other Friends Provident funds currently hold shares in FCPT).

The F&C group also manages certain third party funds which hold shares in FCPT.

The Directors are of the opinion that the Company will be at all times capable of carrying on its business independently of Friends Provident and its associates and that all transactions and relationships between the Company and Friends Provident and its associates are, and will be, at arm's length and on a normal commercial basis.

Corporate governance

Guernsey does not have its own corporate governance code and, as a Guernsey incorporated company, the Company is not required to comply with the Combined Code on Corporate Governance issued by the Financial Reporting Council (the "Combined Code"). However, it is the Company's policy to comply with best practice on good corporate governance that is applicable to investment companies.

The Board has therefore considered the principles and recommendations of the AIC's Code of Corporate Governance (the "AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies. The Company complies with the recommendations of the AIC Code and the relevant parts of the Combined Code in all material respects except as disclosed below.

Independence

The Board consists solely of non-executive Directors of which Peter Niven is Chairman. Brian Sweetland was, until May 2005, an executive director of Friends Provident, which is the ultimate parent company of the Investment Manager and FCPT's majority shareholder. He currently sits on a committee that provides non-investment related advice to F&C Asset Management plc's range of socially responsible investment products. Until that advisory role ceases, he may not be regarded as an independent Director and will be subject to annual re-election by Shareholders. All other Directors are considered by the Board to be independent of the Investment Manager. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. New Directors will receive an induction from the Investment Manager, Property Manager and Secretary on joining the Board, and all Directors receive other relevant training as necessary.

Senior Independent Director

In view of its non-executive nature and the requirement of the Articles of Incorporation that all Directors retire by rotation at least every three years, the Board considers that it is not appropriate for a Senior Independent Director to be appointed.

Appointment and re-election

Directors are selected and appointed by the Board as a whole functioning as a nomination committee. It is chaired by Peter Niven. There is no separate nomination committee as the Board is considered small relative to listed trading companies for the purposes of the AIC Code. The Directors are therefore responsible for reviewing the size, structure and skills of the Board and considering whether any changes are required or new appointments are necessary to meet the requirements of the Company's business or to maintain a balanced Board.

The Articles require that Directors submit themselves for re-election at least every three years. In addition, the Board has agreed that any Director with more than nine years' service will be required to stand for re-election at each annual general meeting. Further details are given at paragraph 4.10 of Part 6 of this document.

Board and Directors' performance appraisal

During FCPT's last financial year, the performance of the Board committees and individual Directors was evaluated through an assessment process, led by the Chairman. This process involved the completion of questionnaires tailored to suit the nature of the Company and follow up discussions between the Chairman and each of the Directors. The performance of the Chairman was evaluated by the other Directors.

The Board believes that, following formal performance evaluations, the performance of each of the Directors seeking re-election continues to be effective and demonstrates commitment to the role.

The Audit Committee and Management Engagement Committee

The Board is supported by the Audit Committee and the Management Engagement Committee. The Audit Committee and the Management Engagement Committee have written terms of reference, which are reviewed at least annually and clearly define their responsibilities and duties.

The Board considers it appropriate that the Chairman of the Board, Peter Niven, is a member of the Audit Committee in the light of his considerable financial experience.

Nicholas Tostevin is the chairman of the Audit Committee. Its duties in discharging its responsibilities will include: reviewing the annual and interim accounts; the system of internal controls; and the terms of appointment and remuneration of the auditor. It will also be the forum through which the auditor reports to the Board. The committee is expected to meet at least two times a year. The objectivity of the auditor will be reviewed by the Audit Committee, which will also review the terms under which the external auditor is appointed to perform non-audit services. The Audit Committee will review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to non-audit fees. Such fees (charged to FCPT) amounted to £14,000 for the year ended 31 December 2008 (for the year ended 31 December 2007 such fees were £7,000) and related principally to a review of the interim financial information, work relating to the new investment management fee agreement and certification of bond compliance certificates.

Peter Niven is the chairman of the Management Engagement Committee. The Management Engagement Committee will review the appropriateness of the Investment Managers' continuing appointment, together with the terms and conditions thereof on a regular basis.

The Company does not have a separate remuneration committee as the Board as a whole fulfils the function of a remuneration committee.

In the event of a material breach of the investment policy or any investment restrictions applicable to the Company or the Current Group, the Company will procure that the details of that breach are communicated promptly to Shareholders through an announcement through a Regulatory Information Service.

Taxation

The information below, which is of a general nature only and which relates only to United Kingdom and Guernsey taxation, is applicable to the Company, FCPT and the Property Subsidiary and to persons who are resident or ordinarily resident in the United Kingdom (except where indicated) and who hold Ordinary Shares as an investment. It is based on existing law and practice and is subject to subsequent changes therein. Any change in the Company's, FCPT's or the Property Subsidiary's tax status or in taxation legislation in Guernsey or the United Kingdom or any other tax jurisdiction affecting Shareholders or investors could affect the value of the investments held by the Company, FCPT or the Property Subsidiary or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

(i) The Group

The Company will apply for tax exempt status from the Director of Income Tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (the "Ordinance"). The Company will need to reapply annually for exempt status for Guernsey tax purposes, incurring the current fee of £600 per annum.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey abolished exempt tax status for the majority of companies and introduced a zero rate

of tax for companies carrying on all but a few specified types of regulated business from January 2008. However, as collective investment schemes were not one of the regimes in Guernsey that were classified by the EU Code of Conduct Group as being harmful, collective investment schemes continued to be able to apply for exempt status for Guernsey tax purposes after 31 December 2007. The Company will therefore continue to apply for and be granted exempt status in the periods after 1 January 2008 regardless of the changes to the general corporate tax regime introduced by the zero tax regime and these changes are not expected to have any material impact on the Company. The Company, FCPT and the Property Subsidiary will continue to be entitled to apply, and intend to continue applying, for tax exempt status in Guernsey. It is also anticipated that they will have no liabilities to Guernsey tax as their income will not arise in Guernsey.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures, including possibly the introduction of a goods and services tax, depending on the state of Guernsey's public finances at that time.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties, save for an *ad valorem* fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares in the Company.

No capital gains tax or similar tax is levied in Guernsey on realised and unrealised gains resulting from the Group's investment activities.

It is the intention of the Directors to conduct the affairs of the Group so that the management and control of the Company, FCPT and the Property Subsidiary is not exercised in the United Kingdom and so that they are not resident in the United Kingdom for taxation purposes and so that they do not carry on any trade in the United Kingdom (whether or not through a permanent establishment situated there). Accordingly, the Company, FCPT and the Property Subsidiary will not be liable for United Kingdom taxation on their income or gains other than certain income deriving from a United Kingdom source.

The Property Subsidiary and any other subsidiaries incorporated by the Group which hold UK property will be subject to United Kingdom income tax on income arising on the Property Portfolio after deduction of debt financing costs and allowable expenses. The Property Subsidiary has received approval from HMRC to receive rental income gross.

(ii) Investors

(a) Taxation of Dividends on Ordinary Shares

Ordinary Shareholders will receive dividends without deduction of Guernsey income tax. UK resident individual Ordinary Shareholders will be liable to income tax on the dividends received.

UK resident individual Shareholders who own less than 10 per cent. of the Company's issued share capital will be entitled to tax credits in respect of dividends paid by the Company. The tax credits will be 10 per cent. of the aggregate of the dividend and the tax credit itself (equivalent to one-ninth of the cash dividend). UK resident individual Shareholders, including those who hold their Shares through an ISA, who are not liable to income tax in respect of their dividends, will not be entitled to reclaim any part of the tax credit. The income tax charge in respect of dividends for lower and basic rate tax payers will be at the rate of 10 per cent. and such Shareholders will have no further liability to tax on their dividends. A higher rate tax payer will be liable to income tax on the sum of the dividend plus the tax credit (to the extent that, taking that sum at the top slice of his/her income, it falls above the threshold for the higher rate of income tax) at the rate of 32.5 per cent., against which he/she can offset the 10 per cent. tax credit.

No UK tax credit will be attached to dividends received by any other Shareholders.

Under proposals contained in the UK Finance Bill published on 30 April 2009, a new additional rate of income tax of 50 per cent. is scheduled to apply with effect from 6 April 2010 to UK resident individuals with taxable income in excess of £150,000 per annum. Accordingly, if these proposals are approved by Parliament, an additional rate tax payer will be liable to income tax on

the sum of the dividend plus the tax credit (to the extent that, taking that sum at the top slice of his/her income, it falls above the threshold for the additional rate of income tax) at the rate of 42.5 per cent., against which he/she can offset the 10 per cent. tax credit.

Subject to the following, UK resident corporate Shareholders will be liable to corporation tax on dividends received from the Company. Under proposals contained in the UK Finance Bill published on 30 April 2009, dividends paid by the Company after 1 July 2009 to UK resident corporate Shareholders will, if these proposals are approved by Parliament, be exempt from UK corporation tax.

Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will incur Guernsey income tax on any dividends paid on Ordinary Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status. The Company is required to provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey.

(b) Taxation of Capital Gains

The Company, as a closed ended investment company, should not as at the date of this Prospectus be treated as an "offshore fund" for the purposes of United Kingdom taxation. Accordingly, the provisions of sections 757 to 764 of the Income and Corporation Taxes Act 1988 (the "Taxes Act") should not apply. Any gains on disposals by UK resident or ordinarily resident holders of the Ordinary Shares may, depending on their individual circumstances, give rise to a liability to United Kingdom taxation on capital gains.

Non-Guernsey resident Shareholders will not be subject to Guernsey tax on the redemption or disposal of their holding of Ordinary Shares in the Company.

(c) Individual Savings Accounts

Ordinary Shares will be eligible to be held in the stocks and shares component of an ISA. Accordingly, Ordinary Shares acquired under the Issue will be eligible to be held in an ISA. Gains on, and dividends received in respect of, shares held within an ISA are exempt from capital gains tax and income tax.

It is the intention of the Directors that the Company will operate so as to ensure that the Ordinary Shares continue to qualify for inclusion within an ISA.

(d) Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with voluntary arrangements or clearance services, to whom special rules apply. No Guernsey or UK stamp duty, or stamp duty reserve tax, will be payable on the issue of the Ordinary Shares. Regardless of whether Ordinary Shares are held in certificated or uncertificated form, United Kingdom stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within, or in certain cases brought into, the United Kingdom. Provided that the Ordinary Shares are not registered in any register of the Company kept in the United Kingdom, any agreement to transfer the Ordinary Shares will not be subject to United Kingdom stamp duty reserve tax. In the event of the death of a sole holder of Ordinary Shares, a Guernsey grant of probate or administration may be required in respect of which certain fees will be payable to the Ecclesiastical Registrar in Guernsey.

(e) Other United Kingdom tax considerations

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 under which the income accruing to the Company may be attributed to such a shareholder and may (in certain circumstances) be liable to UK income tax in the hands of the shareholder. However, the provisions do not apply if such a shareholder can satisfy HMRC that, either:

- (1) the purpose of avoiding liability to UK taxation was not the purpose or one of the purposes of his investment in the Company; or
- (2) the investment was a bona fide commercial transaction and was not designed for the purpose of avoiding UK taxation.

As it is probable that the Company will be owned by a majority of persons resident in the UK, the legislation applying to controlled foreign companies may apply to any corporate Ordinary Shareholders who are resident in the UK. Under these rules, part of any undistributed income accruing to the Company, FCPT or the Property Subsidiary may be attributed to such a shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the shareholder. However, this will only apply if the apportionment to that shareholder (when aggregated with persons connected or associated with them) is at least 25 per cent. of the Company's, FCPT's or the Property Subsidiary's relevant profits.

These provisions will not, however, apply so long as the Company, FCPT and the Property Subsidiary follow an acceptable distribution policy (i.e. when each company distributes at least 90 per cent. of income profits arising in each accounting period). As it is the Group's policy to distribute substantially all income profits, it is anticipated that it will satisfy such requirement. Under proposals contained in the UK Finance Bill published on 30 April 2009, the exception in respect of an acceptable distribution policy is scheduled to be withdrawn with effect from 1 July 2009.

In the event that the Company would be treated as "close" if it were resident in the UK, then part of any chargeable gain accruing to the Company, FCPT or the Property Subsidiary may be attributed to such a shareholder and may (in certain circumstances) be liable to UK tax on capital gains in the hands of the shareholder. The part attributed to the shareholder corresponds to the shareholder's proportionate interest in the Company. This paragraph applies only to Ordinary Shareholders who are resident or ordinarily resident in the UK and whose interest (when aggregated with persons connected with them) in the chargeable gains of the Company exceeds one-tenth.

(f) EU Savings Directive

Guernsey has introduced measures that are the same as the EU Savings Tax Directive. However, paying agents located in Guernsey are not currently required to operate the measures on distributions made to shareholders by closed ended investment companies established in Guernsey. No retentions or exchanges of information under the EU Savings Directive are expected to apply to holdings of Ordinary Shares.

PART 3

FINANCIAL INFORMATION ON FCPT

1. INTRODUCTION

Statutory accounts of FCPT for the three financial years ended 31 December 2008 in respect of which the Company's auditors, KPMG Channel Islands Limited of 20 New Street, St. Peter Port, Guernsey GY1 4AN, who are members of the Institute of Chartered Accountants in England and Wales, made unqualified reports under the Law, are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Royal London House, 22-25 Finsbury Square, London EC2A 1DX and at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands.

2. HISTORICAL FINANCIAL INFORMATION

Historical financial information relating to FCPT on the matters referred to below is included in the published annual reports and audited accounts of FCPT as set out in the table below and is expressly incorporated by reference into this document.

Nature of information	Accounts for year ended		
	31 December 2006 Page No.	31 December 2007 Page No.	31 December 2008 Page No.
Financial Highlights	1	1	2
Consolidated Income Statement	20	23	25
Consolidated Statement of Changes in Equity	22	25	27
Consolidated Balance Sheet	21	24	26
Consolidated Cash Flow Statement	23	26	28
Notes to the Accounts	24-34	27-40	29-43
Dividends	28	31	34
Independent Auditor's Report	18 & 19	21 & 22	24
Historic Record	36	42	45

3. SELECTED FINANCIAL INFORMATION

The information in this paragraph 3 is information on FCPT and has been extracted directly on a straight forward basis from the historical consolidated financial information referred to in paragraph 2 of this Part 3. Selected historical consolidated financial information relating to FCPT which summarises the financial condition of FCPT for the three years ended 31 December 2008 is set out in the following table:

	31 December 2006	31 December 2007	31 December 2008
Net asset value			
Net assets (£000)	1,039,769	958,087	584,183
Equity shareholders' funds (£000)	1,039,769	958,087	584,183
Net asset value per share (p)	141.5	130.8	85.8
	31 December 2006	31 December 2007	31 December 2008
Consolidated Income Statement			
Total revenue (£000)	61,174	62,099	57,162
Profit/(loss) for the year attributable to equity shareholders (£000)	220,411	(44,332)	(284,119)
Basic and diluted earnings/(losses) per share (p)	30.0	(6.0)	(39.8)

4. OPERATING AND FINANCIAL REVIEW

A description of changes in the performance of FCPT, both capital and revenue, and changes to FCPT's portfolio of investments are set out in the sections headed "Chairman's Statement", "Manager's Report" and "Property Portfolio" in the published statutory accounts of FCPT as follows and are expressly incorporated by reference into this document.

Nature of information	Accounts for year ended		
	31 December 2006 Page No.	31 December 2007 Page No.	31 December 2008 Page No.
Chairman's Statement	2-3	2-5	4-7
Manager's Review	5-8	7-10	9-12
Property Portfolio	9	11	13
Report of the Directors	11-17	13-20	15-22

There has been no change in FCPT's investment portfolio since 31 December 2008 that is significant in the context of the whole portfolio except as set out immediately below under paragraph "5. Significant Change".

5. SIGNIFICANT CHANGE

Since 31 December 2008 (being the end of the last financial period of FCPT for which financial information has been published), there has been no significant change in the financial or trading position of FCPT other than as follows:

As a result of market conditions, FCPT has seen a fall in the value of its investments and FCPT's net asset value has reflected the falls in value suffered across the portfolio up to the date of this document. Over the period from 31 December 2008 to 30 April 2009, FCPT's NAV has decreased by 10.6 per cent. Over this period the value of the Property Portfolio decreased by 8.9 per cent. compared to a fall in the IPD Monthly All Property Index of 11.0 per cent. FCPT's net gearing rose as a result of those market movements, from 10.3 per cent. of Total Assets on 31 December 2008 to 10.9 per cent. on 30 April 2009.

Since incorporation, there has been no significant change in the financial or trading position of the Company other than the Company having entered into certain contracts as described in section 7 of Part 6 and having made the Offer and published this Prospectus and the Offer Document.

6. CAPITAL RESOURCES

FCPT currently has 680,537,003 shares in issue and, if the Offer becomes unconditional, following the compulsory acquisition process under Guernsey law, the Company will also have 680,537,003 New Ordinary Shares in issue. The Current Group has cash, held in sterling, available of £165.5 million at 30 April 2009 and has borrowings of £230 million through the Bonds which are expected to be repaid in 2015. The Bonds carry interest at a fixed rate of 5.23 per cent. per annum. The interest cover ratio on the Bonds is currently 3.29 per cent. on a look forward basis compared to a covenant under the terms of the Bonds of 1.5 per cent. Cash inflows and outflows for the Current Group in the last financial period and the sources and amounts of those cashflows are set out in the Consolidated Income Statement, Consolidated Cash Flow Statement and related notes in the audited reports and accounts of FCPT to 31 December 2008 (pages 25, 28 and 29-43) which are expressly incorporated by reference. The ability of subsidiaries of FCPT and/or the Company to pay dividends up the Group structure will depend on the restrictions imposed under Guernsey law (described in more detail on pages 25 and 26) and the Bond covenants (summarised on page 76). It is not expected that either of these restrictions will adversely impact on the Current Group's or the Enlarged Group's ability to meet its foreseeable cash obligations.

7. CAPITALISATION AND INDEBTEDNESS

The following table shows the capitalisation of the Company (distinguished between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 December 2008, the last date in respect of which financial information on the Company has been published and as at 30 April 2009, the latest practicable date prior to the publication of this document:

	As at 30 April 2009 £'000	As at 31 December 2008 £'000
Current debt		
Guaranteed	–	–
Secured	–	–
Unguaranteed/Unsecured	–	–
Total non-current debt		
Guaranteed	–	–
Secured	229,225	229,197
Unguaranteed/Unsecured	–	–
Equity Shareholders' funds		
Share capital	7,531	7,531
Capital redemption reserve	105	105
Other reserves*	514,512	576,547
TOTAL	522,148	584,183

* Includes the Company's reserve and capital reserves.

The information in the table above is: (1) unaudited financial information on the Company as at 30 April 2009, extracted from internal accounting records; and (2) audited financial information as at 31 December 2008, extracted from the audited report and accounts.

The following table shows the Company's net indebtedness at 30 April 2009.

	£'000
A. Cash	165,526
B. Cash equivalent	–
C. Trading securities	–
D. Liquidity (A + B + C)	165,526
E. Current financial receivable	–
F. Current bank debt	–
G. Current portion of non-current debt	–
H. Other current financial debt	–
I. Current financial debt (F + G + H)	–
J. Net current financial indebtedness (I – E – D)	(165,526)
K. Non-current bank loans	–
L. Bonds issued	229,225
M. Other non-current loans	–
N. Non-current financial indebtedness (K + L + M)	229,225
O. Net financial indebtedness (J + N)	63,699
Indirect indebtedness	–
Contingent indebtedness	–

The information in the table above is unaudited financial information of the Company and has been extracted from internal management accounting records as at 30 April 2009 and has not been reported on by an accountant.

PART 4

THE FCPT PROPERTY PORTFOLIO

Unless stated otherwise, all figures in this Part 4 in relation to the Property Portfolio are as at 30 April 2009, the latest Valuation Date.

1. Summary description of the FCPT Property Portfolio

Properties/Indirect Property Funds	Sector	Book Cost £'000	Initial Yield	Market Value £'000	% of Total Assets
London W1, St Christopher's Place ^x	Retail	70,646	6.6%	76,705 ^x	10.2
Newbury, Newbury Retail Park	Retail Warehouses	55,003	6.9%	52,000	6.9
London SW19, Wimbledon Broadway	Retail	47,054	7.7%	41,370	5.5
London SW1, Cassini House, St James' Street	Offices	47,400	6.8%	41,125	5.5
London SW1, 84 Eccleston Square	Offices	42,165	8.2%	36,700	4.9
Solihull, Sears Retail Park ^x	Retail Warehouses	54,642	9.0%	32,625 ^x	4.3
Uxbridge, 3 The Square, Stockley Park	Offices	42,550	8.0%	31,925	4.2
Rochdale, Dane Street	Retail Warehouses	28,800	6.4%	28,325	3.8
London SW1, Charles House, 5-11 Regent Street	Offices	26,436	7.1%	26,225	3.5
Glasgow, Alhambra House, Waterloo Street.	Offices	26,950	8.0%	23,625	3.1
Ten largest property holdings		441,646		390,625	51.9
Manchester, 82 King Street	Offices	32,530	5.1%	22,550	3.0
London W1, 372/374 Oxford Street ^x	Retail	20,096	5.4%	21,820 ^x	2.9
Camberley, Watchmoor Park	Offices	36,950	13.5%	20,300	2.7
Reading, Thames Valley One, Thames Valley Park	Offices	25,075	9.9%	19,625	2.6
Reading, Thames Valley Two, Thames Valley Park	Offices	17,950	10.2%	13,175	1.8
London W1, 385/389 Oxford Street	Retail	13,450	6.0%	12,550	1.7
Colchester, The Cowdray Centre, Cowdray Avenue	Industrial	15,440	9.0%	12,200	1.6
Edinburgh, Nevis/Ness Houses, 11/12 Lochside Place	Offices	13,600	8.7%	9,900	1.3
Edinburgh, 124/125 Princes Street		17,762	0.9%	9,800	1.3
Solihull, Comet Unit, Sears Retail Park ^x	Retail Warehouses	16,078	8.4%	9,600 ^x	1.3
Twenty largest property holdings		650,577		542,145	72.1
London SW1, 2/4 King Street	Offices	6,334	6.4%	8,200	1.1
Southampton, Upper Northam Road, Hedge End	Industrial	10,300	9.6%	8,090	1.1
Leeds, 27/28 Commercial Street	Retail	10,650	6.3%	8,000	1.1
London W1, 17A Curzon Street	Offices	7,788	4.4%	7,320	1.0
London EC3, 7 Birch Lane	Offices	4,980	6.2%	5,775	0.8
Camberley, Affinity Point, Glebeland Road	Industrial	6,650	8.3%	5,410	0.7
London W1, 24-27 Great Pulteney Street	Offices	12,771	0.0%	5,000	0.7
Colchester, Ozalid Works, Cowdray Avenue [†]	Industrial	2,044	9.5% [†]	4,300	0.6
The IPIF Feeder Unit Trust (10,692.78 units)*	Indirect	6,398	–	3,529*	0.5
London W1, 16 Conduit Street	Retail	3,150	5.8%	3,050	0.4
Leeds, 40/42 Albion Street	Retail	1,650	8.0%	1,080	0.1
The Mall Unit Trust (15,870,456 units) [‡]	Indirect	27,938	–	0 [‡]	0.0
Total property portfolio		751,230		601,899	80.2
Net current assets				149,474	19.8
Total Assets (less current liabilities)				751,373	100.00

[†] The property at Ozalid Works comprises part investment property and part a bare site. The initial yield shown relates to the investment element.

[‡] The Mall Unit Trust ("MUT") is a Jersey unit trust that acts as the feeder fund for The Mall Limited Partnership, an English limited partnership. The Property Subsidiary holds 15,870,456 units in MUT. The Market Value of the units held in MUT has been written down to nil to reflect the Group's assessment of their realisability and expected income yield. The Board is anticipating no income yield from this investment.

* The IPIF Feeder Unit Trust ("IPIF") is a Jersey unit trust that acts as the feeder fund for the Industrial Property Investment Fund Limited Partnership, an English limited partnership. The limited partnership invests in industrial property across the UK. The Property Subsidiary holds 10,692.78 units in IPIF. The Market Value of the units held in IPIF is the Directors' valuation of those units having taken professional advice and having regard to the published net asset value of a unit in IPIF (published by IPIF as at 31 March 2009, the last published net asset value).

^x The Market Values of these Properties represent the notional apportionments of value as described in more detail in section 12 of Part 5 of this document and may not themselves represent the Market Value of these elements were they to be marketed separately.

The Market Values of the direct properties shown in this Part 4 have been extracted without material adjustment from the valuation report prepared by the Valuer, which is set out in Part 5 of this document. The information in relation to the IPIF Feeder Unit Trust and The Mall Unit Trust is derived as set out in the footnotes immediately above. The other information set out above is taken from the Company's management accounting records.

2. Details of the ten largest assets

Set out below is a brief description of the ten largest assets.

St. Christopher's Place Estate, including the property at 372/374 Oxford Street, London W1			
An estate comprising a number of individual buildings located in a retail and leisure destination to the north of Oxford Street, including the property at 372/374 Oxford Street. There are in excess of 130 tenants on the estate.			
Top five tenants	Lease term	Lease expiry	Rent review
The Body Shop International Plc	25 Years	24 December 2014	25 December 2009
Speciality Retail Group Plc	25 Years	24 March 2015	25 March 2010
Carluccio's Ltd	25 Years	7 August 2025	24 June 2010
Pizza Express (Restaurants) Limited	25 Years	28 September 2018	N/A
La Tasca Restaurants Limited	27 Years	5 January 2033	6 January 2013
Current Net Annual Rent £5,767,111	Estimated Net Annual Rent £6,243,856		Market Value £98,525,000

Newbury Retail Park, Newbury			
A modern retail warehouse park constructed in 1997 located to the east of the Newbury by-pass. The park comprises 14 retail units, and two restaurants and totals 15,782 sq m with the benefit of an open A1 planning consent.			
Top five tenants	Lease term	Lease expiry	Rent review
Homebase Ltd	25 Years	24 March 2022	25 March 2012
JJB Sports plc	25 Years	24 March 2022	25 March 2012
Mothercare UK Limited	20 Years	24 March 2022	25 March 2012
Borders (UK) Limited	15 Years	20 April 2021	21 April 2011
DSG Retail Limited	15 Years	26 February 2021	27 February 2011
Current Net Annual Rent £3,717,435	Estimated Net Annual Rent £4,099,486		Market Value £52,000,000

Sears Retail Park, Marshall Lake Road, including the Comet unit, Solihull			
A retail warehouse park located close to the junction of the A34 and the B4102 approximately two miles from the centre of Solihull. The property comprises a terrace of five retail units constructed in 1993 and a further detached unit let to Comet.			
Top five tenants	Lease term	Lease expiry	Rent review
Homebase Limited (two leases)	25 Years	24 March 2019	25 March 2009
Argos Limited	15 Years	24 August 2018	25 August 2013
Boots the Chemists Limited	10 Years	21 September 2014	22 September 2009
Blane Leisure Ltd	20 Years	24 March 2019	8 June 2013
Comet Group plc	25 Years	23 June 2025	24 June 2010
Current Net Annual Rent £3,952,052	Estimated Net Annual Rent £2,611,000		Market Value £42,225,000

Wimbledon Broadway, London SW19			
A town centre retail/leisure scheme completed in 2002 comprising a 12 screen multi-plex cinema, a supermarket, healthclub and eight retail units.			
Top five tenants	Lease term	Lease expiry	Rent review
Odeon Cinemas Limited	25 Years	24 July 2027	25 July 2012
Safeway Stores plc	20 Years	26 November 2020	27 November 2010
Nuffield Health Wellbeing Limited	25 Years	6 January 2027	7 January 2012
Uniqlo (UK) Limited	15 Years	1 May 2016	1 May 2011
Mitchells & Butler Retail Limited	25 Years	28 October 2027	29 October 2012
Current Net Annual Rent £3,340,204	Estimated Net Annual Rent £3,367,704		Market Value £41,370,000

Cassini House, 57-59 St James's Street, London SW1			
A core St James's office building completed in 1999 comprising floor plates of approximately 660 sq. m. and totalling approximately 4,621 sq. m. The building is arranged over lower ground and six upper floors and is multi-let.			
Top five tenants	Lease term	Lease expiry	Rent review
Artemis Investment Management Limited	10 Years	24 December 2017	15 May 2012
Taube Hodson Stonex Partners Limited	10 Years	14 July 2017*	15 July 2014
Putnam Investments Limited (three leases)	18 Years	24 December 2017 (all leases)	12 October 2009/ 23 July 2009
Calyon (two leases)	18 Years	24 December 2017 (both)	4 October 2009
Norimet Limited	18 Years	24 December 2017	12 July 2009
Current Net Annual Rent £2,941,777	Estimated Net Annual Rent £2,540,400		Market Value £41,125,000

* Tenant's option 14 July 2014.

84 Eccleston Square, London SW1			
A modern office building completed in 1989 arranged over lower ground, ground and 6 upper floors comprising 6,320 sq. m. and 42 parking spaces.			
Tenants	Lease term	Lease expiry	Rent review
APL Group Limited	25 Years	24 March 2014	25 March 2009
Lafarge Cement UK plc	25 Years	24 March 2014	25 March 2009
Current Net Annual Rent £3,175,200	Estimated Net Annual Rent £2,528,280		Market Value £36,700,000

3 The Square, Stockley Park, Uxbridge			
A headquarters office building located in a business park close to Heathrow airport. The property completed in 1997 and is arranged over ground and three upper floors totalling 8,621 sq. m.			
Tenants	Lease term	Lease expiry	Rent review
GB Gas Holdings Limited	25 Years	24 March 2022	25 March 2012
Current Net Annual Rent £2,700,000	Estimated Net Annual Rent £2,220,000		Market Value £31,925,000

Dane Street, Rochdale			
A modern out of town retail development completed in 1997. The property comprises a supermarket of approximately 7,763 sq. m. and an adjoining retail warehouse unit of 1,394 sq. m.			
Tenants	Lease term	Lease expiry	Rent review
Asda Stores Limited	25 Years	24 March 2022	25 March 2012
DSG Retail Limited	25 Years	24 March 2022	25 March 2012
Current Net Annual Rent £1,913,000	Estimated Net Annual Rent £1,913,000		Market Value £28,325,000

Charles House, 5-11 Regent Street, London SW1			
Comprises offices on part ground and seven upper floors and 3 units on ground floor comprising in total 3,953 sq. m. A number of the office floors have recently been subject to upgrade and refurbishment.			
Tenants	Lease term	Lease expiry	Rent review
Langholm Capital LLP	10 Years	28 April 2018	29 April 2013
PCE Investors Limited	10 Years	2 March 2018	3 March 2013
LUKOIL Overseas UK Limited	10 Years	18 July 2017	19 July 2012
Cancer Research UK	25 Years	28 September 2014	29 September 2009
Innovation Norway	25 Years	24 March 2014	24 June 2009
Current Net Annual Rent £2,084,035	Estimated Net Annual Rent £1,302,405		Market Value £26,225,000

Alhambra House, Waterloo Street, Glasgow			
A city centre development completed in 1998 arranged over seven floors and comprising in total 8,877 sq. m.			
Top five tenants	Lease term	Lease expiry	Rent review
J P Morgan Chase Bank, National Association	14 Years	30 August 2014	1 September 2009
J P Morgan Securities Limited	15 Years	14 September 2015*	15 September 2015
Mercer Limited	15 Years	30 November 2014**	1 December 2009
Secretary of State for Transport	15 Years	21 March 2015	22 March 2010
Current Net Annual Rent £1,990,119	Estimated Net Annual Rent £2,250,001		Market Value £23,625,000

* Tenant's option 15 September 2010

** Tenant's option 31 July 2011

3. Tenant concentration

The tenants that contribute in excess of 2 per cent. of the current gross annual rent can be summarised as follows:

Tenant (including group companies)	Description of business	Covenant strength	% of current net annual rent	Property
GB Gas Holdings Limited	Utilities company	Negligible risk	5.7%	3 The Square, Stockley Park, Uxbridge
Homebase Limited	General retailer	Negligible risk	5.2%	Sears Retail Park, Solihull and Newbury Retail Park, Newbury
Fujitsu Services Limited	Electronics	Low risk	4.3%	Thames Valley One, Thames Valley Park, Reading
Asda Stores Limited	Food retailer	Low risk	3.7%	Dane Street, Rochdale
Boots UK Limited	General retailer	Negligible risk	3.4%	Oxford Street, London W1, Newbury Retail Park, Newbury and Sears Retail Park, Solihull
APL Group Limited	Marketing consultants	High risk	3.4%	84 Eccleston Square, London SW1
Lafarge Cement UK plc	Construction supplies	Negligible risk	3.2%	84 Eccleston Square, London SW1
Fluor Limited	Consulting engineers	Low/medium risk	3.2%	Watchmoor Park, Camberley
Oracle Corporation UK Limited	Computer software	Low risk	3.0%	Thames Valley Two, Thames Valley, Reading
Putnam Investments Limited	Fund manager	Negligible risk	2.6%	Cassini House, London SW1
Odeon Cinemas Limited	Film distribution	Negligible risk	2.3%	Wimbledon Broadway, London SW19
Total			40.0%	

(Source: Management accounting records and IPD IRIS)

4. Summary of tenure

As a percentage of the aggregate Market Value, 93.0 per cent. of the Property Portfolio (excluding the Indirect Property Funds) is freehold (or heritable) title and 7.0 per cent. is long leasehold.

5. Lease length

The Properties in the Property Portfolio (excluding the Indirect Property Funds) have a total of 372 tenants. The length of the leases of the Properties can be summarised as follows:

Length of lease	As a percentage of current gross annual rent	
	Property Portfolio	IPD IRIS
0 – 5 years	34.7%	28.7%
5 – 10 years	36.0%	30.5%
10 – 15 years	21.8%	22.4%
15+ years	7.5%	18.4%

The average lease length of the Properties is 7.8 years (weighted by current gross annual rent). This has been calculated on the earlier of the expiry date of the lease and the first break option. The equivalent figure for an average commercial property portfolio, as represented by IPD, is 9.6 years.

(Source: Management accounting records and IPD IRIS)

6. Lease expiration and break options

The occurrence of the earlier of lease expiries and break options (excluding leases within the Indirect Property Funds) can be summarised as follows:

Year of expiration or break option	No. of leases	Current gross annual rent	% of current gross annual rent	Cumulative % of current gross annual rent
2009	70	£805,289	1.70%	1.70%
2010	42	£2,217,090	4.69%	6.39%
2011	40	£2,820,676	5.97%	12.36%
2012	21	£5,360,160	11.34%	23.70%
2013	14	£1,148,586	2.43%	26.13%
2014	20	£7,057,885	14.93%	41.06%
2015	12	£3,599,679	7.62%	48.68%
2016	9	£1,030,730	2.18%	50.86%
2017	25	£5,097,087	10.79%	61.65%
2018	10	£2,097,151	4.44%	66.09%
2019	7	£2,878,752	6.09%	72.18%
2020	11	£3,467,750	7.34%	79.52%
2021	4	£902,917	1.91%	81.43%
2022	10	£4,782,538	10.12%	91.55%
2023	1	£457,600	0.97%	92.52%
2024	1	£210,700	0.45%	92.97%
2025	4	£1,465,293	3.10%	96.07%
2026	0	£0	0.00%	96.07%
2027	4	£1,688,454	3.57%	99.64%
2028	0	£0	0.00%	99.64%
2029	0	£0	0.00%	99.64%
2030+	16	£170,291	0.36%	100.00%

(Source: Management accounting records.)

7. Voids

The voids in the Property Portfolio (excluding the Indirect Property Funds and developments within the Property Portfolio) represent 4.3 per cent. of the Estimated Net Annual Rent of the Properties.

(Source: Management accounting records.)

8. Covenants

The covenant strength of the tenants of the Properties and the Indirect Property Funds in the Property Portfolio can be summarised as follows:

Covenant strength	As a percentage of current gross annual rent	
	Property Portfolio	IPD IRIS
Negligible Risk	44.5	39.7
Low Risk	24.9	26.1
Low – Medium Risk	11.4	12.5
Medium – High Risk	4.2	6.5
Maximum/High Risk	11.2	10.8
Unsecured/ineligible	3.8	4.4

The latest IPD Rental Information Service report for March 2009 ranked the Property Portfolio in the 28th percentile for weighted tenant covenant risk score compared with the IPD Quarterly and Monthly Valued Funds (with the first percentile being lowest risk and the 100th percentile being the highest risk) therefore indicating a higher than average tenant covenant strength.

(Source: Management accounting records and IPD IRIS.)

9. Lease terms

The leases of the Properties are on terms which could reasonably be expected for properties of the type comprised in the Property Portfolio. Subject to the above and viewing the Property Portfolio as a whole, the leases of the Properties in the Property Portfolio are in general terms institutionally acceptable.

10. Property condition

Independent building surveys, mechanical and electrical surveys and environmental surveys were undertaken for each of the Properties in the Property Portfolio at the time of acquisition of the Properties. These were reviewed by the Investment Manager and Property Manager at the time of the acquisition and it was considered that the condition of the Properties was acceptable having regard to the Properties' age, use, type and lease terms.

11. Regional weightings (excluding the Indirect Property Funds)

The regional weightings of the Property Portfolio (excluding the Indirect Property Funds) can be summarised as follows:

Region	As a percentage of market value	
	Property Portfolio	IPD
London	40.8	31.3
South East	32.1	17.2
South West	0.0	5.3
Eastern	2.8	7.3
East Midlands	0.0	3.6
West Midlands	7.1	7.3
Yorkshire and Humberside	1.5	6.0
North West	8.5	6.9
North East	0.0	1.9
Scotland	7.2	6.1
Wales	0	2.2
Northern Ireland	0	0.1
Other	0	4.8

(Source: Management accounting records and IPD IRIS Benchmark Geographic Analysis Dispersion Report as at end March 2009.)

12. Sectoral weightings (excluding the Indirect Property Funds)

Sector	As a percentage of market value	
	Property Portfolio	IPD
Shopping Centres	0.0	14.1
Retail Warehouses	20.5	18.7
High Street Retail	28.6	14.5
Offices	45.9	32.0
Industrial	5.0	16.0
Other	0	4.7

(Source: Management accounting records and IPD Quarterly Benchmark Report to end March 2009.)

13. Sub-sector weightings (excluding the Indirect Property Funds)

Sector	As a percentage of market value	
	Property Portfolio	IPD
Units shops – South East	25.4	6.5
Units shops – Rest of UK	3.2	8.0
Shopping Centres	0.0	14.1
Retail Warehouses	20.5	18.7
Offices – City	1.0	6.9
Offices – West End	21.3	9.8
Offices – South East	14.2	9.6
Offices – Rest of UK	9.3	5.7
Industrial – South East	2.3	9.2
Industrial – Rest of UK	2.8	6.8
Other	0.0	4.7

(Source: Management accounting records and IPD Quarterly Benchmark Report to end March 2009.)

PART 5

VALUATION REPORT



The Directors
New FCPT Limited
F&C Commercial Property Trust Limited and
F&C Commercial Property Holdings Limited
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

Dickson Minto WS
Royal London House
22-25 Finsbury Square
London EC2A 1DX

5 June 2009

Dear Sirs

Property portfolio held by F&C Commercial Property Trust Limited ("FCPT")

1. Introduction

In accordance with our engagement letter dated 27 May 2009 with New FCPT Limited and FCPT, we have considered the properties referred to in the attached schedule (the "Properties"), in order to advise you of our opinion of the Market Value of the freehold or long leasehold interests in each of the Properties as at 30 April 2009.

The Properties comprise a mixture of retail, office and industrial uses. With the exception of the property at Great Pulteney Street, London W1, which is held for redevelopment, and the property known as Ex Grainger Trust and Ozalid Works, Colchester, which is held partly for redevelopment and partly for investment, the Properties are held as investments.

The valuation report includes a schedule which comprises brief details of each of the Properties including its value as at 30 April 2009 (the "Schedule"). The Schedule also includes the value of each of the Properties as at 31 December 2008. We are required to include values as at 31 December 2008 by paragraph 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no 809/2004 (referred to in 3 below) as they represent the valuations included in the latest published accounts. We are also required to include an explanation of the differences between the valuations as at 30 April 2009 and 31 December 2008. This explanation is included in the Schedule. The valuation report and the Schedule are collectively referred to as "the Valuation Report".

DTZ

48 Warwick Street
London, W1B 5NL, England
Tel: +44 (0)20 3296 3000
Fax: +44 (0)20 3296 3200
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A list of directors' names is open to inspection at the above address
DTZ Debenham Tie Leung Limited Registered in England No 2757768
Registered office 125 Old Broad Street London EC2N 2BQ



Certificate No
GB0771454



Certificate No
GB968160

2. Inspections

We undertake valuations of the Properties for accounts purposes (see 5. below). The Properties are inspected annually for the purposes of the valuations for accounts. All the Properties were inspected between March 2008 and April 2009.

3. Compliance with RICS Valuation Standards

We confirm that the valuations have been made in accordance with the appropriate sections of the current Practice Statements ("PS"), and United Kingdom Practice Statements ("UKPS") contained within the RICS Valuation Standards, 6th Edition (the "Red Book") as well as Rule 5.6.5G of the Prospectus Rules published by the Financial Services Authority and paragraphs 128 to 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no 809/2004.

4. Status of valuer and conflicts of interest

We confirm that we have the knowledge, skills and understanding to undertake these valuations competently and that we have undertaken the valuations acting as External Valuers, qualified for the purpose of the valuation.

As you are aware, we acted for F&C Commercial Property Trust Limited on its flotation in March 2005 and as regular quarterly valuer of the Properties since then. We previously valued 13 of the Properties on a quarterly basis on behalf of clients of F&C Property Asset Management plc (a subsidiary of F&C Asset Management plc). In addition, we have valued 9 of the Properties in the past on behalf of clients of F&C Asset Management plc. As part of these valuations we also provided strategic investment advice in respect of the relevant Properties.

F&C Asset Management plc combined its property management business in 2008 with REIT Asset Management to become F&C REIT Property Asset Management plc. References hereafter to F&C REIT Property Asset Management plc include references to F&C Asset Management plc where appropriate.

As you are also aware, we have acted on behalf of F&C REIT Property Asset Management plc in connection with various rent reviews at Cassini House, London SW1, and on behalf of one of the tenants in connection with rent reviews in respect of the properties at Alhambra House, Glasgow and Newbury Retail Park. We are currently instructed to act as letting agents on behalf of F&C REIT Property Asset Management plc in respect of office accommodation at Charles House, Regent Street, London W1. In addition, as you are aware, we acted on the disposal of a sub-lease to Hodnett Martin Smith Ltd of office accommodation at Charles House, Regent Street, London W1. The business and liabilities of Hodnett Martin Smith Ltd were acquired in 2005 by DTZ Debenham Tie Leung Limited. We are also providing planning and agency advice in connection with the proposed redevelopment of 24-27 Great Pulteney Street, London W1 and are instructed as letting agents in respect of office accommodation at 17A Curzon Street.

5. Purpose of the valuation

We understand that the valuations are required in connection with the publication of a prospectus by New FCPT Limited in connection with a share for share exchange offer to be made to the existing shareholders in FCPT (the "Purpose of this Valuation Report").

In accordance with UKPS 5.4, we have made certain disclosures in connection with this valuation instruction and our relationship with F&C REIT Property Asset Management plc. These are included in item 6 below.

6. Disclosures required under the provisions of UKPS 5.4

6.1 Name of signatory

The Properties were valued for the first time for FCPT by DTZ Debenham Tie Leung as at 30 March 2005. Gillian Rushmore BSc FRICS has been the signatory of Valuation Reports provided to the addressees of this Valuation Report, with the exception of New FCPT Limited, for a continuous period since that time.

6.2 DTZ's relationship with client

DTZ Debenham Tie Leung Limited also valued those properties comprising the property portfolios of ISIS Property Trust Limited and IRP Property Investments Limited in connection with their flotations and we currently undertake quarterly valuations of the portfolios. DTZ Debenham Tie Leung Limited provides and has provided in the past ad hoc investment and occupational agency advice, landlord and tenant and building consultancy advice to F&C REIT Property Asset Management plc and Royal and Sun Alliance Insurance Group plc. In the past, DTZ Debenham Tie Leung Limited has undertaken the management of a number of properties on behalf of Royal and Sun Alliance Insurance Group plc.

6.3 Fee income from F&C REIT Property Asset Management plc

DTZ Debenham Tie Leung Limited is a wholly owned subsidiary of DTZ Holdings plc (the "Group"). In the Group's financial years to 30 April 2008, the proportion of total fees payable by FCPT and its subsidiaries to the total fee income of the Group was less than 5%. It is not anticipated that this percentage will exceed 5% in the financial year to 30 April 2009.

7. Basis of valuation

Our opinion of the Market Value of each of the Properties has been primarily derived using comparable recent market transactions on arm's length terms.

7.1 Market Value

The value of each of the Properties has been assessed in accordance with the relevant parts of the current RICS Valuation Standards. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term "Market Value" means "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In undertaking our valuations on the basis of Market Value we have applied the conceptual framework which has been settled by the International Valuation Standards Committee and which is included in PS 3.2.

7.2 Taxation and costs

We have not made any adjustments to reflect any liability to taxation that may arise on disposals, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposals.

We have made deductions to reflect purchasers' acquisition costs.

8. VAT

We have been advised previously by FCPT's tax advisers, Ernst & Young LLP, that the option to tax has been exercised in respect of all the Properties with the exception of The Cowdray Centre, Colchester; 124/125 Princes Street, Edinburgh; 7 Birchin Lane, London EC3; 16 Conduit Street, London W1; 17A Curzon Street, London W1 and 24/27 Great Pulteney Street, London W1.

The capital valuations and rentals included in this Valuation Report are net of value added tax at the prevailing rate.

9. Assumptions and sources of information

An Assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of Assumptions and have relied on certain sources of information. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The Assumptions we have made for the purposes of our valuations are referred to below:

9.1 Title

We have not had access to the title deeds of any of the Properties. Save as disclosed in the Certificates of Title dated 9 March 2005 prepared by Dickson Minto W.S., Eversheds LLP and Walker Morris (the "Certificates of Title"), and the Update Report prepared by Dickson Minto W.S. and attached to their email dated 20 May 2009, we have made an Assumption that FCPT or a wholly owned subsidiary of FCPT is possessed of good and marketable freehold or leasehold title in each case and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also assumed that the Properties are free from mortgages, charges or other encumbrances.

9.2 Condition of structure and services, deleterious materials, plant and machinery and goodwill

Due regard has been paid to the apparent state of repair and condition of each of the Properties, but condition surveys have not been undertaken, nor have woodwork or other parts of the structures which are covered, unexposed or inaccessible, been inspected. Therefore, we are unable to report that the Properties are structurally sound or free from any defects. We have made an Assumption that the properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious materials have been used in the construction or any alterations, and therefore we cannot confirm that the Properties are free from risk in this regard. For the purposes of these valuations, unless otherwise informed by F&C REIT Property Asset Management plc or its advisers, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

One of the Properties at Colchester is known as Ex-Grainger Trust and Ozalid Works. Part of that part of the property known as Ex-Grainger Trust was destroyed by fire and a further part of Ex-Grainger Trust was rendered unoccupiable as a result of damage associated with the fire. Works to demolish the damaged buildings have recently been completed; some buildings remain. The buildings on that part of the property known as Ozalid Works have also been demolished. Together, the two elements comprise firstly a partially cleared site and secondly some industrial buildings. We understand that the cleared site is to be let as open storage land until future redevelopment of the property can commence.

We were advised by F&C REIT Property Asset Management plc that asbestos was used in the original construction of that part of Ex-Grainger Trust which was destroyed by fire and that, as a result of the fire, the asbestos was rendered in an adverse condition. We were advised by F&C REIT Property Asset Management plc that the building insurance would cover the cost of the safe removal of the asbestos. We have been advised by F&C REIT Property Asset Management plc that the asbestos has been removed and have made an Assumption that no further costs will be incurred in this regard.

We have not carried out an asbestos inspection and have not acted as an asbestos inspector in completing the valuation inspection of any properties that may fall within the Control of the Asbestos at Work Regulations 2002. We have not made an enquiry of the duty holder (as defined in the Control of Asbestos at Work Regulations 2002), of the existence of an Asbestos Register or of any plan for the management of asbestos to be made. Where relevant, we have made an Assumption that there is a duty holder, as defined in the Control of Asbestos at Work Regulations 2002 and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE regulations. We advise that such enquiries be undertaken by a lawyer during normal pre-contract enquiries.

No mining, geological or other investigations have been undertaken to certify that the sites are free from any defect as to foundations. We have made an Assumption that the load bearing qualities of the sites of the Properties are sufficient to support the buildings constructed (or to be constructed) thereon. We have also made an Assumption that there are no services on, or crossing, the sites in a position which would inhibit development or make it unduly expensive, and that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the Properties.

No tests have been carried out as to electrical, electronic, heating, plant and machinery, equipment or any other services nor have the drains been tested. However, we have made an Assumption that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

No allowance has been made in these valuations for any items of plant or machinery not forming part of the service installations of the buildings. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools.

Further, no account has been taken in our valuations of any business goodwill that may arise from the present occupation of any of the Properties.

It is a condition of DTZ Debenham Tie Leung Limited or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

9.3 Environmental matters

There is high voltage electrical supply equipment at or close to the Properties at Watchmoor Park, Camberley; The Cowdray Centre, Colchester; Ex-Grainger Trust and Ozalid Works, Colchester; Nevis and Ness Houses, Edinburgh; Alhambra House, Glasgow; 84 Eccleston Square, London SW1; Charles House, London SW1; Cassini House, London SW1; 16 Conduit Street, London W1; St Christopher's Place, London W1; 24/27 Great Pulteney Street, London W1; 82 King Street, Manchester; Newbury Retail Park, Newbury; Thames Valley One, Reading; Colorado House, Reading and Dane Street, Rochdale. The possible effects of electromagnetic fields have been the subject of media coverage. The National Radiological Protection Board (NRPB), an independent body with responsibility for advising on electromagnetic fields, has advised that, following studies in 2000 and 2001, there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the affected Properties.

We have made enquiries of the relevant Environment Agency website for the purposes of earlier valuations in order, so far as reasonably possible, to establish the risk of flooding at the properties and the potential existence of contamination arising out of previous or present uses of the sites and any adjoining sites. We have also been provided with copies of environmental reports dated 7 January 2005 prepared by Watts & Partners on behalf of F&C Asset Management plc (the "Environmental Reports").

We were advised by F&C REIT Property Asset Management plc that there are contamination issues in respect of a derelict warehouse on the property known as The Ozalid Works which forms part of that property now known as Ex-Grainger Trust and Ozalid Works. The warehouse has been demolished but the slab remains on the site. We have discussed the contamination issues with Waterman Energy, Environment and Design ("Waterman"), who have been advising F&C REIT Property Asset Management plc in this respect in connection with a potential redevelopment for industrial purposes. We have relied upon the advice from Waterman in respect of the costs arising from the environmental issues.

We have made an Assumption that the information and opinions we have been given are complete and correct in respect of the properties and that further investigations would not reveal more information sufficient to affect value. We consider that this Assumption is reasonable in the circumstances. However, purchasers may cause such further investigations to be made and if these were to reveal additional contamination then this might reduce the values now being reported.

With the exception of the site of the derelict warehouse which used to be on part of the property formerly known as The Ozalid Works, our enquiries and inspections have provided no evidence that there is a significant risk of contamination in respect of any of the Properties. Accordingly, you have instructed us to make an Assumption that no contamination or other adverse environmental matters exist in relation to the Properties sufficient to affect value. Other than as referred to above, we have not made any investigations into past or present uses, either of the Properties or any neighbouring land to

establish whether there is any contamination or potential for contamination to the subject Properties. Commensurate with our Assumptions set out above, with the exception of the site formerly occupied by the derelict warehouse at The Ozalid Works, we have made no allowance in these valuations for any effect in respect of actual or potential contamination of land or buildings. A purchaser in the market would, in practice, undertake further investigations than those undertaken by us. If it is subsequently established that contamination exists at any of the Properties or on any neighbouring land or that any of the premises have been, or are being, put to any contaminative use then this might reduce the values now reported.

We have made enquiries of the Environment Agency website for the purposes of earlier valuations and were advised that the majority of the subject Properties fall outside the extent of the extreme flood. This is categorised as being a chance of flooding equivalent to 0.1 per cent. (1 in 1,000) or less. We are advised that the properties referred to below fall within the extent of an extreme flood from rivers or the sea. The property at Dane Street, Rochdale is within an area categorised as being an area that is likely to be affected by a major flood, with up to a 0.1 per cent. (1 in 1,000) chance of occurring each year. The properties at Eccleston Square, London SW1 and Watchmoor Park, Camberley are within areas where the chance of flooding each year is said to be 0.5 per cent. (1 in 200) or less.

If any of the Properties lies within or close to a flood plain, or has a history of flooding, we have made the Assumption that building insurance is in place regarding flooding and available to be renewed to the current or any subsequent owners of the property, without payment of an excessive premium or excess.

9.4 Areas

We have measured certain of the Properties, or parts of Properties, on site for the purposes of earlier valuations and have calculated the floor areas in accordance with the current Code of Measuring Practice prepared by the Royal Institution of Chartered Surveyors (the "Code").

F&C REIT Property Asset Management plc have provided us with the floor areas of the remaining Properties or parts thereof. As instructed, we have relied on these areas and have made an Assumption that the floor areas supplied to us have been calculated in accordance with the Code.

9.5 Statutory requirements and planning

Verbal or written enquiries have been made for the purposes of earlier valuations of the relevant planning authorities in whose areas the Properties lie as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values but have not received a response in every case. In those instances where we have not received replies to our enquiries, we have made the Assumption that any reply would not have an impact on the value of the relevant Property. In all instances, we have read the Certificates of Title, which refer to planning matters.

We have made an Assumption that the buildings have been constructed in full compliance with valid town planning and building regulations approvals and that where necessary they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005. Similarly, we have also made an Assumption that the Properties are not subject to any outstanding statutory notices as to their construction, use or occupation. Unless our enquiries have revealed the contrary, we have made a further Assumption that the existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

No allowances have been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and we have made an Assumption that the Properties comply with all relevant statutory requirements.

In England and Wales, the Government has implemented the Energy Performance of Buildings Directive requiring Energy Performance Certificates ("EPC") to be made available for all Properties, when bought or sold, subject to certain exemptions. In respect of any of the subject Properties which are not exempt from the requirements of this Directive, we have made an Assumption that an EPC is made available, free of charge, to the purchasers of the interests which are the subject of our valuation.

9.6 Leasing

We have read copies of headleases for the purposes of earlier valuations. We have not read copies of the occupational leases or other related documents but have relied, for the purposes of our valuations, on information provided by F&C REIT Property Asset Management plc. We have also had regard to the Update Report prepared by Dickson Minto W.S. and attached to their email dated 20 May 2009, as far as it relates to leasing matters.

We have not undertaken investigations into the financial strength of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary, we have made an Assumption that the tenants are financially in a position to meet their obligations. Unless otherwise advised we have also made an Assumption that there are no material arrears of rent or service charges, breaches of covenants, current or anticipated tenant disputes.

However, our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

We have also made an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

9.7 Information

In undertaking our valuations, we have relied on information and advice supplied by F&C REIT Property Asset Management plc in respect of outstanding costs or retentions where works by FCPT have been completed or are ongoing. We have relied on information and advice supplied by F&C REIT Property Asset Management plc in respect of costs by way of planning obligations affecting the Properties either as a result of development that has occurred or in respect of future planning obligations in the case of development which may occur in the future. Similarly, we have relied on information and advice supplied by F&C REIT Property Asset Management plc relating to future development costs. In each case, we have reflected this advice in our valuations.

We have made an Assumption that the information F&C REIT Property Asset Management plc and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an Assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

10. Current financial market

The financial markets have seen significant turbulence over the last year or so resulting in severe liquidity shortages. The turmoil in the credit markets had an immediate effect on the real estate investment market resulting in some transactions failing and/or prices being renegotiated downwards. This has caused a marked reduction in the volume of transactions with activity below the levels of recent years. The negotiation of price reductions prior to the completion of transactions remains common. Generally, there is greater volatility in the evidence generated by comparable transactions and in these circumstances there is a greater degree of uncertainty than that which exists in a more active and stronger market in forming an opinion of the realisation prices of property assets.

Whereas transaction evidence underpins the valuation process, the definition of Market Value, including the commentary in Practice Statement 3.2.4, requires the valuer to reflect the realities of the current market. In this context valuers must use their market knowledge and professional judgement and not rely only upon historic market sentiment based on historic transactional comparables.

We are of the opinion that, in the market conditions which currently prevail, there is likely to be a greater than usual degree of uncertainty in respect of valuations. Until the number and consistency of comparable transactions increases, this situation is likely to remain.

11. Valuation

We are of the opinion that the aggregate of the Market Values as at 30 April 2009 of the freehold or leasehold interests in the Properties described in the Schedule to this Valuation Report, subject to the Assumptions and comments in this Valuation Report, was as follows:

Freehold (23 properties)	£450,020,000	(Four hundred and fifty million, and twenty thousand pounds)
Part Freehold/Part Long Leasehold (2 properties)	£106,525,000	(One hundred and six million, five hundred and twenty-five thousand pounds)
Long Leasehold (3 properties)	£41,825,000	(Forty-one million, eight hundred and twenty-five thousand pounds)
TOTAL	£598,370,000	(Five hundred and ninety-eight million, three hundred and seventy thousand pounds)

12. Notional apportionments

As instructed, we have undertaken a notional apportionment of the Market Value of St Christopher's Place between the Oxford Street buildings and the remainder and of the Market Value of Sears Retail Park, Solihull between the standalone unit let to Comet and the remainder of the park.

St Christopher's Place

Oxford Street buildings (notional apportionment)	£21,820,000
Remainder (notional apportionment)	£76,705,000
Total	£98,525,000

Sears Retail Park, Solihull

Unit let to Comet (notional apportionment)	£9,600,000
Remainder (notional apportionment)	£32,625,000
Total	£42,225,000

The individual elements shown above may not themselves represent the Market Value of those elements were they to be marketed separately.

13. Confidentiality and disclosure

The contents of this Valuation Report may be used only for the Purpose of this Valuation Report. DTZ Debenham Tie Leung Limited hereby gives its consent to the inclusion of this Valuation Report in the prospectus and to the references to this Valuation Report in the prospectus in the form and context in which they appear. DTZ Debenham Tie Leung Limited authorises, and accordingly takes responsibility for, the contents of this Valuation Report for the purposes of Rule 5.5.3(2)(f) of the Prospectus Rules and confirms that the information contained in this Valuation Report is, to the best of our knowledge and having taken all reasonable care to ensure that is the case, in accordance with the facts and contains no omission likely to affect its import. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the Valuer's written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt such approval is required whether or not DTZ Debenham Tie Leung Limited is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

Gillian Rushmore BSc FRICS
Director

For and on behalf of
DTZ Debenham Tie Leung Limited

SCHEDULE TO THE VALUATION REPORT DATED 5 JUNE 2009

PROPERTY	TENURE	CURRENT INCOME P.A.(1)	VALUATION AT 31/12/2008	EXPLANATION FOR CHANGE IN VALUE BETWEEN 31/12/2008 AND 30/04/2009	VALUATION AT 30/04/2009
RETAIL					
Edinburgh, 124/125 Princes Street	Freehold	£187,155	£11,125,000	New retail lease, retail ERV reduced, office and retail yields increased	£9,800,000
Leeds, Albion Street	Freehold	£87,500	£1,245,000	ERV reduced, yield increased	£1,080,000
Leeds, Commercial Street	Freehold- Leasehold	£534,000	£8,425,000	Yield increased	£8,000,000
London, 385-389 Oxford Street	Leasehold	£797,500	£13,350,000	Yield increased	£12,550,000
London W1, St Christopher's Place Estate	Freehold- Leasehold	£5,868,138	£102,500,000	Office ERVs reduced, yields increased	£98,525,000
London W1, Conduit Street	Leasehold	£185,000	£3,175,000	ERV reduced, yield increased	£3,050,000
Wimbledon	Freehold	£3,340,204	£42,860,000	Yields increased	£41,370,000
SUB-TOTAL		£10,999,497	£182,680,000		£174,375,000
RETAIL WAREHOUSES					
Newbury, Newbury Retail Park	Freehold	£3,717,435	£57,450,000	ERV reduced, yield increased	£52,000,000
Rochdale, Dane Street	Freehold	£1,913,000	£29,425,000	Yield increased	£28,325,000
Solihull	Freehold	£3,952,052	£49,525,000	ERV reduced, yield reduced	£42,225,000
SUB-TOTAL		£9,582,487	£136,400,000		£122,550,000
OFFICES					
Camberley, Watchmoor Park	Freehold	£2,887,000	£24,850,000	ERV reduced, yield increased	£20,300,000
Edinburgh, Nevis & Ness House	Freehold	£913,250	£10,450,000	ERV reduced, yield increased	£9,900,000
Glasgow, Alhambra House	Freehold	£1,990,119	£25,225,000	Yield increased	£23,625,000
London SW1, Charles House 5-11 Regent St	Leasehold	£2,315,595	£27,875,000	ERV reduced, yield reduced	£26,225,000
London SW1, Eccleston Square	Freehold	£3,175,200	£40,000,000	ERV reduced, yield reduced	£36,700,000
London EC3, Birchin Lane	Freehold	£463,706	£6,800,000	ERV reduced, yield increased	£5,775,000

PROPERTY	TENURE	CURRENT INCOME P.A. ⁽¹⁾	VALUATION AT 31/12/2008	EXPLANATION FOR CHANGE IN VALUE BETWEEN 31/12/2008 AND 30/04/2009	VALUATION AT 30/04/2009
OFFICES (Cont'd)					
London SW1, 2/4 King Street	Freehold	£584,837	£10,125,000	ERV reduced, yield reduced	£8,200,000
London SW1, St James' Street	Freehold	£2,941,777	£48,100,000	ERV reduced, yield reduced	£41,125,000
London W1, Curzon Street	Freehold	£382,400	£8,580,000	ERV reduced, yield reduced	£7,320,000
London W1, Great Pulteney Street ⁽⁵⁾	Freehold	–	£5,530,000	Residual approach, timing extended	£5,000,000
Manchester, 82 King Street	Freehold	£1,568,130	£26,375,000	ERV reduced, yield increased	£22,550,000
Reading, Thames Valley One	Freehold	£2,055,000	£21,600,000	ERV reduced, yield increased	£19,625,000
Reading, Thames Valley Two	Freehold	£1,420,000	£14,525,000	ERV reduced, yield increased	£13,175,000
Uxbridge, 3 The Square	Freehold	£2,700,000	£32,950,000	ERV reduced, yield reduced	£31,925,000
SUB-TOTAL		£23,397,014	£302,985,000		£271,445,000
INDUSTRIALS					
Camberley, Affinity Point	Freehold	£457,600	£5,580,000	Yield increased	£5,410,000
Colchester, Ex-Grainger Trust & Ozalid Works	Freehold	£222,004	£4,400,000	Costs increased, yield increased	£4,300,000
Colchester, Cowdray Centre	Freehold	£1,166,112	£12,960,000	ERV reduced	£12,200,000
Southampton, Upper Northam Road	Freehold	£826,250	£9,150,000	Yield increased	£8,090,000
SUB-TOTAL		£2,671,966	£32,090,000		£30,000,000
PORTFOLIO TOTAL		£46,650,964	£654,155,000		£598,370,000

⁽¹⁾ Current income p.a. is the total income reserved by leases at the date of valuation.

⁽²⁾ References to "yield" refer to Equivalent Yield (NEY (Ann in arr)).

⁽³⁾ ERV is estimated rental value; in this schedule, this is DTZ's opinion of rental value, reflecting the terms of relevant leases or, if appropriate, reflecting the fact that certain of the Properties, or parts thereof, were vacant as at this date of Valuation.

PART 6

GENERAL INFORMATION

1. Incorporation and general

- 1.1 The Company is a closed ended investment company and was incorporated with limited liability in Guernsey under the Law with registered number 50402 on 19 May 2009. The Company operates under the Law and regulations made under the Law and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL and its telephone number is 01481 745 529. The Company has received authorisation in principle as an authorised closed ended investment scheme from the Guernsey Financial Services Commission under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Authorised Closed Ended Investment Scheme Rules 2008 made thereunder, and final authorisation will be applied for prior to the First Closing Date.
- 1.2 Pursuant to the new Guernsey companies law, the Company is deemed to have unlimited objects. The memorandum of incorporation of the Company is available for inspection at the addresses specified in paragraph 9 below.
- 1.3 FCPT was incorporated with limited liability in Guernsey under the Law with registered number 42737 on 21 January 2005 and its registered office is Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL. If the Offer is successful then FCPT will become a wholly owned subsidiary of the Company.
- 1.4 The Property Subsidiary was incorporated with limited liability in Guernsey under the Law with registered number 42736 on 21 January 2005 and its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL. The Property Subsidiary is a wholly owned subsidiary of FCPT.
- 1.5 The Investment Manager was incorporated on 1 June 1994 with limited liability in Scotland under the UK Companies Acts with registered number SC151198. The Investment Manager operates under the UK Companies Acts and is authorised and regulated by the Financial Services Authority. Its registered office and place of business is at 80 George Street, Edinburgh EH2 3BU and its telephone number is 0131 718 1000.
- 1.6 The Property Manager was incorporated on 12 September 1973 with limited liability in England and Wales under the UK Companies Acts with registered number 01133893. The Property Manager operates under the UK Companies Acts and is authorised and regulated by the Financial Services Authority. Its registered office is at Exchange House, Primrose Street, London EC2A 2NY and its place of business is at 5 Wigmore Street, London W1U 1PB and its telephone number is 020 7499 2244.
- 1.7 The Valuer was incorporated on 16 October 1992 with limited liability in England and Wales under the UK Companies Acts with registered number 02757768. The Valuer operates under the UK Companies Acts. Its registered office and place of business is at 125 Old Broad Street, London EC2N 2BQ and its telephone number is 020 3296 3000.

2. Share capital

2.1 The issued share capital of the Company (all of which will be fully paid-up) as at the date of this document and immediately following completion of the Offer will be as follows:

	No. of Ordinary Shares	Nominal value
<i>As at the date of this document</i>	1	£0.01
<i>Immediately following completion of the Offer</i>	680,537,003	£6,805,370.03

As permitted under Guernsey law the Company will not have an authorised share capital.

- 2.2 The Company was incorporated with a share capital divided into Ordinary Shares of 1 pence each. The Company does not have an authorised share capital. At incorporation, one Ordinary Share was subscribed for, nil paid, by the subscriber to the memorandum of incorporation. This share will be made available, fully paid, under the Issue.
- 2.3 Save pursuant to the Issue and the subscription of the one Ordinary Share referred to above, since the date of incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.
- 2.4 There are no provisions of Guernsey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company.
- 2.5 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.6 It is expected that the New Ordinary Shares will be issued pursuant to resolutions of the Board between June and October 2009 conditional upon Admission of those shares to the UKLA Official List and to trading on the London Stock Exchange.
- 2.7 The Ordinary Shares will be in registered form and will be capable of being issued or settled through CREST. It is expected that definitive certificates, if applicable, will be posted to allottees within 14 days of the allotment and issue of the relevant shares. Temporary documents of title will not be issued.
- 2.8 Each Ordinary Share has a nominal value of 1 pence and therefore will be issued at a premium equal to the notional issue price of that Ordinary Share (which will be equal to the prevailing market value of an FCPT share at the time the exchange becomes effective) less 1p.
- 2.9 FCPT has an authorised share capital of £10,000,000 divided into 1,000,000,000 ordinary shares of 1p each of which 680,537,003 Ordinary Shares are issued and fully paid and a further 72,545,013 are held in treasury.
- 2.10 The Property Subsidiary has an authorised share capital of £10,000 divided into 1,000,000 ordinary shares of 1p each, of which 211,673 shares are issued and fully paid and held by FCPT.

3. Related Party Transactions

Share buy backs

In the course of the past twelve months FCPT has bought back ordinary shares from Friends Provident Life Assurance Limited, a wholly owned indirect subsidiary of Friends Provident, through the following two on-market transactions: (i) buy back on 16 June 2008 by the Company of 2,397,000 ordinary shares from Friends Provident Life Assurance Limited for an aggregate consideration of £1,965,540; and (ii) buy back on 19 December 2008 of 14,500,000 ordinary shares from Friends Provident Life Assurance Limited for an aggregate consideration of £9,280,000.

4. Articles of Incorporation of the Company

The Articles of the Company contain provisions, *inter alia*, to the following effect.

4.1 Votes of members

Subject to the restrictions referred to below and subject to any special rights or restrictions for the time being attached to any class of shares, every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him.

4.2 Dividends

- (i) Subject to compliance with section 304 of the Law, and the satisfaction of the solvency test set out therein, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company.
- (ii) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. No dividend shall bear interest against the Company. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
- (iii) The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to distribute by dividend.

4.3 Issue of shares

- (i) Subject to the provisions of the Articles and without prejudice to any special rights conferred on the holders of any class of shares, any share in the Company may be issued with such preferred, deferred or other special rights, or restrictions whether in regard to dividend, return of capital, voting or otherwise as the Board may determine to the fullest extent permitted by sections 292 and 293 of the Law.
- (ii) Subject to the Articles, the unissued shares shall be at the disposal of the Directors, and they may allot, grant options over or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they determine.
- (iii) The Company may on any issue of shares pay such commission as may be fixed by the Board and disclosed in accordance with the Law. The Company may also pay brokerages.

4.4 Variation of rights

If at any time the capital of the Company is divided into separate classes of share, the rights attached to any class of shares may (unless otherwise provided by the terms of issue) be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons holding or representing by proxy at least one third of the issued shares of the class. Every holder of shares of the class concerned shall be entitled at such meeting to one vote for every share of that class held by him on a poll. The special rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not be deemed to be varied by the creation of or issue of further shares ranking *pari passu* therewith or the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles.

4.5 Restriction on voting

- (i) A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company unless all calls due from him in respect of that share have been paid.

- (ii) A member of the Company shall not, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he has failed to comply with a notice requiring the disclosure of shareholders' interests and given under the Articles (see paragraph 4.6 below) within 14 days, in the case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such notice. The restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

4.6 Notice requiring disclosure of interest in shares

The Directors may serve notice on any member requiring that member to disclose to the Company the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Directors may be required to exercise their powers under the relevant Article on a requisition of members holding not less than one tenth of the paid up capital of the Company carrying the right to vote at general meetings. If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more of the issued shares of the relevant class), the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "default shares") and any other shares held by the member, the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer to a bona fide unconnected third party) shall be registered until the default is rectified.

4.7 Transfer of shares

The Articles provide that the Directors may implement such arrangements as they may think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. If the Directors implement any such arrangements no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (i) the holding of shares of that class in uncertificated form;
- (ii) the transfer of title to shares of that class by means of the CREST UK system; or
- (iii) the CREST Guernsey Requirements.

Where any class of shares is for the time being admitted to settlement by means of the CREST UK system such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements. Unless the Directors otherwise determine, such securities held by the same holder or joint holder in both certificated form and uncertificated form shall be treated as separate holdings. Such securities may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system. Every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed.

Subject as provided below, any member may transfer all or any of his shares which are in certificated form by instrument of transfer in any form which the Directors may approve. The instrument of transfer of a share shall be signed by or on behalf of the transferor. The Directors

may refuse to register any transfer of certificated shares unless the instrument of transfer is lodged at the registered office accompanied by the relevant share certificate(s) and such other evidence as the Director may reasonably require to show the right of the transferor to make the transfer. The Directors may refuse to register a transfer of any share which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis.

Subject to the provisions of the CREST Guernsey Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

4.8 Alteration of capital and purchase of shares

The Company may from time to time, subject to the provisions of the Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Law.

The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares and subdivide all or any of its shares into shares of a smaller amount than is fixed by the memorandum of incorporation.

4.9 Interests of Directors

- (i) Save as mentioned below, a Director may not vote on any resolution of the Board (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest in shares or debentures or other securities of the Company). A Director may be counted in the quorum at a meeting at which he is present in relation to any resolution on which he is debarred from voting notwithstanding that he is prohibited from voting.
- (ii) A Director shall (in the absence of some other material interest) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - (1) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (2) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (3) any proposal concerning an offer of shares or debentures or other securities of or by the Company or its subsidiaries for subscription or purchase in which offer he is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (4) any proposal concerning any other company in which he is interested, directly or indirectly, as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the issued share capital of any such company or of the voting rights of such company;
 - (5) any arrangement for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
 - (6) any proposal for the purchase or maintenance of insurance for the benefit of the Director or persons including the Directors.
- (iii) Subject to paragraph 4.9(i) above, the Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officer of such company, or voting or providing for the payment or remuneration to the directors, managing directors, manager or other officer of such company).

4.10 Directors

- (i) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £300,000 per annum (or such sum as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- (ii) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as the Directors may determine.
- (iii) The Directors may from time to time appoint one or more of their body (other than a Director resident in the UK) to the office of managing director or to any other executive office for such periods and upon such terms as they determine.
- (iv) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or where the terms of appointment are arranged or any contract in which he is interested is considered or any remuneration (including pension or other benefits) is to be paid to him, and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.
- (v) The Directors may at any time appoint any person eligible in accordance with section 137 of the Law, to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for re-election at, the next general meeting following his appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an annual general meeting. Without prejudice to those powers, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- (vi) At the first annual general meeting of the Company all of the Directors shall retire from office. At the first annual general meeting after the appointment of a Director he shall retire from office and offer himself for re-election. Thereafter, each director shall retire and offer himself for re-election at intervals of no more than three years.
- (vii) The maximum number of Directors shall be ten and the minimum number of Directors shall be two. The majority of the Directors shall at all times be resident outside the United Kingdom.
- (viii) Unless otherwise fixed by the Company in general meeting, a Director shall not be required to hold any qualification shares.

4.11 Retirement of Directors

- (i) There is no age limit at which a Director is required to retire.
- (ii) The office of Director shall be vacated if the Director resigns his office by written notice, if he shall have absented himself from meetings of the Board for a consecutive period of six months and the Board resolves that his office shall be vacated, if he dies or becomes of unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director, if he becomes ineligible to be a Director in accordance with section 137 of the Law or if he becomes resident in the United Kingdom and, as a result, a majority of the Directors are resident in the United Kingdom.

4.12 Winding-up and continuation vote

- (i) On a winding-up, the surplus assets remaining after payment of all creditors, including payment of bank borrowings, shall be divided *pari passu* among the members in proportion to the capital paid up or which ought to have been paid up on the shares held at the commencement of the winding-up, subject to the rights of any shares which may be issued with special rights or privileges.
- (ii) On a winding-up the liquidator may, with the authority of a special resolution, divide amongst the members in specie the whole or any part of the assets of the Company. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any outstanding liability.
- (iii) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation, or part compensation, for the transfer or sale, shares, policies or other like interests for distribution among the members or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.
- (iv) The Directors shall put an ordinary resolution to the shareholders to approve the continuation of the Company, in its then form, at the annual general meeting of the Company to be held in 2015 and thereafter at five yearly intervals. If at any such annual general meeting, such resolution is not passed, the Board shall, within six months of such meeting, convene a general meeting of the Company at which a special resolution shall be proposed to the members of the Company for the winding up of the Company and/or a special resolution shall be proposed to the members of the Company for the reconstruction of the Company, provided that such resolution for the reconstruction of the Company shall, if passed, provide an option to Shareholders to elect to realise their investment in the Company in full.

4.13 Borrowing powers

The Board may exercise all the powers of the Company to borrow money up to an amount equal to 65 per cent. of the gross assets of the Group at the time of borrowing and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking, property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party.

4.14 F&C name

- (i) If at any time any agreement between the Company and the Investment Manager or any member of the F&C group (being F&C and any of its subsidiary undertakings or parent undertakings or their subsidiary undertakings, from time to time) for the management of the Company's investments is terminated, or if any offer is made to all the holders of the Ordinary Shares to acquire the whole or any part of the Ordinary Shares and the right to cast more than 50 per cent, of the votes which may ordinarily be cast at a general meeting of the Company has or will become vested in the offeror and/or any company controlled by the offeror and/or any person associated, or acting in concert, with the offeror then, in either such event, F&C shall be entitled by notice in writing to the Company to require that the name of the Company is changed to a name which does not contain the word "F&C" or any letters or words colourably or confusingly similar thereto.
- (ii) If within three months after the giving of such notice the name of the Company has not been so changed, F&C shall be entitled to convene a general meeting of the Company for the purpose of passing a special resolution (the "Name Change Resolution") adopting as the name of the Company a name selected by F&C and any member present in person or by proxy (or being a corporation by representative) and entitled to vote shall (in respect of the votes attached to his shares) vote in favour of the Name Change Resolution and any vote which is not cast or is cast against such Name Change Resolution shall be deemed to have been cast in favour of the Name Change Resolution.

4.15 General Meetings

Not less than ten clear days' notice specifying the time, date and place of any general meeting (including annual general meetings) and specifying also, in the case of any special business, the general nature of the business to be transacted shall be given to Shareholders. Every Shareholder shall be entitled to attend and vote (other than the Company itself where it holds its own shares as treasury shares) and to speak at every general meeting. The quorum for a general meeting shall be two or more Shareholders (other than the Company itself where it holds its own shares as treasury shares) holding 5 per cent. or more of the voting rights applicable at such meeting present in person or by proxy.

5. Differences between the articles of incorporation of FCPT and the Company

Since the articles of incorporation of FCPT were adopted, The Companies (Guernsey) Law, 2008 has come into force. The Articles of the Company are broadly similar to the articles of incorporation of FCPT but differ in the following ways or accommodate the following changes in the Law:

(a) Changes to the memorandum

The Law changes the statutory position in Guernsey such that a company is deemed to have unlimited objects. This means that a lengthy objects clause is no longer necessary. In addition, under the Law, certain parts of a company's memorandum require a unanimous resolution for amendment. This is virtually impossible for a listed company and could create unwelcome inflexibility. As such, the amendments to the Company's memorandum are such that only the matters required by statute are set out in the memorandum itself. In addition the Company is no longer required to have an authorised share capital and this has been therefore excluded from the Company's memorandum. A further explanation on this point is set out below.

(b) Changes to the Articles

The Law no longer requires a company to have a specified limit of authorised share capital. The Articles give the Company the flexibility to issue shares beyond the previously nominated authorised share capital without the requirement to seek the consent of Shareholders. This is balanced by a requirement under the Law that the Board may only issue shares if authorised by the Company's memorandum or Articles or authority is granted by Shareholders.

The Law no longer requires distributions to be paid from "profits available for the purpose". Instead, distributions (which includes dividends and share buy backs under the Law) may be paid from any account (including the capital account) provided that the directors of a company are satisfied on reasonable grounds, and certify, that the company concerned will satisfy the statutory solvency test immediately after the distribution. The Company will be able to take advantage of the greater flexibility which is permitted by the Law in this regard.

The Law allows a company, if its shareholders consent, to communicate with its shareholders by electronic means. Such consent may be given by means of the inclusion of a provision in the relevant company's articles or by a shareholders' resolution and is included in the Articles.

The Law imposes restrictions on the circumstances in which a company may indemnify a Director and, specifically, prohibits indemnification by the company in respect of any liability of the Director for negligence, default, breach of duty or breach of trust.

The Law imposes more onerous requirements in relation to the disclosure by a director of his interest in transactions, or in proposed transactions, with the relevant company. Subject to certain exceptions, should the Company enter into a transaction in which a Director is interested then that transaction may be voidable by the Company within three months after the transaction is disclosed.

Companies are now able to pass written resolutions by the appropriate majority rather than unanimously as under The Companies (Guernsey) Law, 1994.

The Law has introduced changes in relation to preparation of accounts. By way of a summary, the Company must keep accounting records for each financial year which are sufficient to show and explain its transactions and are such as to (i) disclose with reasonable accuracy, at any time, the financial position of the Company and (ii) enable the Directors to ensure that any accounts are prepared properly and in accordance with any relevant enactment for the time being in force.

The accounting records must be kept at the Company's registered office or such other place as the Directors think fit and must be kept for a period of six years after the date on which they are made.

The accounting records (and, where returns are sent, returns) shall at all reasonable times be open to inspection by any director, secretary or officer of the Company at the place where they are kept.

The accounts must include a profit and loss account and a balance sheet and must: (i) give (and state that they give) a true and fair view; (ii) be prepared in accordance (and state that they are in accordance) with generally accepted accounting principles (and state which accounting standards have been adopted); and (iii) comply (and state that they comply) with any relevant enactment for the time being in force. The accounts must be approved by the Board and signed on the Directors' behalf by at least one of them.

The Directors must also prepare a directors' report (which may be in summary form) for each financial year which must state the principal activities (if any) of the Company in the course of the financial year. Also the Company must send a copy of its accounts, its directors' report and its auditor's report (where required) to each member of the Company within 12 months after the end of the financial year to which they relate. These documents must also be laid before all annual general meetings of the Company.

The maximum aggregate limit on the annual remuneration of the Directors, which may be exceeded only with the authority of an ordinary resolution, has been increased from £200,000 to £300,000 to provide flexibility in the future.

6. Directors' and other interests

6.1 The aggregate of the remuneration to be paid and benefits in kind granted to the Directors by the Group for the financial period ending 31 December 2009 will not exceed £200,000.

6.2 Each of Peter Niven, Donald Adamson, John Stephen, Brian Sweetland and Nicholas Tostevin has entered into a letter of appointment with the Company dated 21 May 2009 on equivalent terms to his existing letter of appointment with FCPT, each of which was dated 9 February 2005. The new letters of appointment provide for an initial period of service expiring at the first annual general meeting of the Company, subject to renewal at that time. The Company has the right to terminate each appointment without compensation upon certain customary summary termination events including when the Director is required to vacate his office pursuant to the Articles or the Law. Subject thereto, the letters of appointment do not contain any contractual provisions regarding the compensation which would be payable upon early termination by the Company.

The fees payable to the Directors of FCPT in respect of the financial year to 31 December 2008 by FCPT were £37,500 per annum to Peter Niven, the Chairman, £25,000 per annum to each of Donald Adamson, John Stephen and Brian Sweetland and £30,000 per annum to Nicholas Tostevin, the chairman of the Audit Committee. The fees will be reviewed annually and may be increased in line with usual market rates. By agreement of the Board, Peter Niven's fees were increased to £40,000 per annum with effect from 1 July 2008. The new letters of appointment provide that FCPT is responsible for paying the Directors' fees up until Admission at which point, conditional on Admission taking place, the new letters of appointment supercede the previous letters of appointment in full and the fees are payable by the Company. Under the new letters of appointment, Mr Niven is entitled to be paid £40,000 per annum, Mr Tostevin is entitled to be paid £30,000 per annum and each of the other Directors is entitled to be paid £25,000 per annum, in each case along with their

reasonable expenses and such other amounts in respect of exceptional work outside the ordinary course as the Board deems appropriate.

- 6.3 No Director has any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Group and which were effected by any member of the Group since the date of incorporation of the relevant member of the Group or which remain in any respect outstanding or unperformed.
- 6.4 No loan or guarantee has been granted or provided by any member of the Group for the benefit of any Director.
- 6.5 As at the date of this document and immediately following Admission, other than as disclosed in paragraph 6.6 below, there are no interests of any Director, including any connected persons of any Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company or any options in respect of such capital.
- 6.6 The Directors have agreed to accept the Offer in respect of their entire holdings of ordinary shares in FCPT which will result in the issue to the Directors of the numbers of Ordinary Shares in the Company set out below, all of which will be beneficially held:

	Number of Ordinary Shares	Percentage of issued Ordinary Shares*
Director		
Peter Niven	43,142	0.006%
Donald Adamson	53,715	0.008%
John Stephen	42,389	0.006%
Brian Sweetland	88,961	0.013%
Nicholas Tostevin	21,832	0.003%

* Following completion of the Offer and statutory squeeze out.

- 6.7 The Company is aware of the following persons who are currently interested in three per cent. or more of the issued share capital of FCPT and who, if they maintained their current shareholding in FCPT and the Offer becomes unconditional would hold the following shares in the Company immediately following completion of the Issue:

	Number of Ordinary Shares	Percentage of issued Ordinary Shares
Friends Provident Life and Pensions Limited	259,827,500	38.18%
Friends Provident Life Assurance Limited	78,373,750	11.52%
Rensburg Sheppards Investment Management	24,219,383	3.6%
Scottish Widows	23,218,808	3.4%
Rathbones	20,229,534	3.0%

Note: F&C Asset Management plc also provides investment management services to St. Christopher's Place Limited and London Capital Holdings Limited which are both wholly owned subsidiaries of Friends Provident and which hold 3,822,800 (0.56 per cent.) and 275,950 (0.04 per cent.) shares in FCPT respectively. F&C Asset Management plc also has discretionary management of a further 5,454,635 ordinary shares in FCPT (being 0.80 per cent. of the FCPT shares in issue) on behalf of other clients.

Save as described above, the Company is not aware of any person who, following the Issue, will be interested directly or indirectly in three per cent. or more of any class of issued share capital of the Company or of any person or persons who, following the Issue, will or could, directly or indirectly, jointly or severally, exercise control over the Company.

6.8 Details of those companies and partnerships of which the Directors have been directors or partners at any time since 5 June 2004 are as follows:

(i) Peter Niven

Present directorships and partnerships:

ABTA Guernsey Limited (formerly known as ABTA Insurance Company (Guernsey) Limited), ABTA Insurance PCC Limited (formerly known as ABTA Travel Agents Insurance Company Limited), Close European Accelerated Fund Limited, Dexion Trading Limited, F&C Commercial Property Trust Limited, F&C Commercial Property Holdings Limited, F&C Commercial Property Finance Limited, Investec Capital Accumulator Trust Limited, Phaunos Timber Fund Limited, PSD SPV Inc (Delaware Company), PSource Structured Debt Limited, Resolution Limited and Thortonhall Limited.

Past directorships and partnerships:

None

(ii) Donald Adamson

Present directorships and partnerships:

Research & Consulting Associates Ltd, Forbes Ltd, Daglingworth Ltd, Pantheon Asia Fund Ltd, Pantheon USA Fund II Ltd, Pantheon Europe Ltd, Pantheon Asia Fund II Ltd, Pantheon USA Fund III Ltd, Park Heights Ltd, Pantheon Global Secondary Fund Ltd, Invesco Leveraged High Yield Fund Ltd, Pantheon Europe II Fund Ltd, Saanen Ltd, Pantheon USA IV Ltd, Launen Ltd, Pantheon Asia Fund III Ltd, Lindsell Train Instrument Trust PLC, Network CPD Ltd, Lindsell Train Japan (Distributor) Inc, Lindsell Train Japan (Accumulator) Inc, Lindsell Train Japan (General Partner) Inc, Pantheon Europe Fund III Ltd, Lindsell Train Global Media (Distributor) Inc, Lindsell Train Global Media (Accumulator) Inc, Lindsell Train Global Media (General Partner) Inc, Pantheon USA Fund V Ltd, Pantheon Global Secondary Fund II Ltd, Pantheon USA Fund VI Ltd, Pantheon Europe Fund IV Ltd, F&C Commercial Property Trust Ltd, F&C Commercial Property Finance Limited, F&C Commercial Property Holdings Limited, Pantheon Asia Fund IV Ltd, Pantheon Europe Fund V GP Ltd, Pantheon USA VII Fund Ltd, Pantheon Global Security Fund III GP Ltd, Cambium Global Timberland Ltd, JP Morgan Progressive Multi-Strategy Fund Limited, Ludgate Fund Management (Environmental) (Jersey) Limited, Pantheon Europe Fund VI GP Ltd and Pantheon Infrastructure Fund "A" L.P.

Past directorships and partnerships:

Alternative Investment Strategies Ltd, EPIC Reconstruction PLC, Equity Partnership Investment Co Ltd, Fitzrovia International Ltd, Gsteig Ltd, Hanseatic Asset Management LBG, Hotel Corporation PLC, Meridian Asset Management (CI) Ltd, Pantheon USA Fund Ltd and The Bayard Fund Ltd.

(iii) John Stephen

Present directorships and partnerships:

Capital 44 LLP, Downe House School, Elizabeth Finn Care, Elizabeth Finn Homes Limited, F&C Commercial Property Holdings Limited, F&C Commercial Property Finance Limited, F&C Commercial Property Trust Limited, Jones Lang LaSalle Limited, Max Property Group plc and The Portman Estate.

Past directorships and partnerships:

Age Concern Westminster, Age Concern Enterprises (Westminster) Ltd, BPF Commercial Limited, British Property Federation, Brightsea EPH Limited, British Property Federation (Europe) Limited and Evans Management Limited.

(iv) Brian Sweetland

Present directorships and partnerships:

F&C Commercial Property Holdings Limited, F&C Commercial Property Trust Limited, F&C Commercial Property Finance Limited and Friends Provident Charitable Foundation.

Past directorships and partnerships:

Benchmark Group PLC, Box Hill Investments Limited, Castle Mall (Norwich) Management Limited, County Mall (Crawley) Management Limited, Edinburgh Park (Management) Limited, F&C Asset Management plc, FP (Portfolio) Nominees Limited, FP Business Holdings Limited, FP Finance plc, FP Financial Management Group Services Limited, FP Financial Management Limited, FP Group Limited, FP Pension Trustees Limited, FPPE Fund Public Limited Company, Friars Square (Aylesbury) Management Limited, Friends Milestones Limited, Friends Provident (London & Manchester) Assurance Limited, Friends Provident Cash Management Limited, Friends Provident Employee Share Trust Company Limited, Friends Provident First Call Limited, Friends Provident International Limited, Friends Provident Investment Holdings plc, Friends Provident Life Office, Friends Provident Linked Life Assurance Limited, Friends Provident Managed Pension Funds Limited, Friends Provident Management Services Limited, Friends Provident Pension Scheme Trustees Limited, Friends Provident Pension Solutions Direct Limited, Friends Provident Pensions Services Limited, Friends Provident plc, Friends Provident Services Limited, Friends Provident The Blue Line Limited, Friends Provident Trustees Limited, Hemkip Limited, Jetsolid Limited, Lion Walk (Colchester) Management Limited, London and Manchester (Commercial Mortgages) Limited, London and Manchester (Mortgages) (No 7) Limited, London and Manchester Group Limited, London Capital Holdings Limited, London Midland Associated Properties Limited, Nextdeal Limited, Precis (1994) Limited, Regional Assets Limited, Regional Properties Limited, Regional Properties Management Limited, Seedcorn Capital Limited, SFM Holdings Limited, St Christopher's Place

Past directorships and partnerships (continued): Limited, Stockley Park East Limited, Thames Valley Park Management Limited, The Growth Fund Limited, The Land and House Property Corporation Limited, UKP Holdings Inc. and United Kingdom Temperance and General Provident Institution.

(v) Nicholas Tostevin

Present directorships and partnerships: Carillion Insurance Company Limited, Clarges Insurance Limited, Connaught Insurance Company Limited, Court Row Limited, F&C Commercial Property Trust Limited, F&C Commercial Property Holdings Limited, F&C Commercial Property Finance Limited, Gottex Market Neutral Trust Limited, Great Grapes Limited, ING European Infrastructure (General Partner Guernsey) Limited, JCB Insurance Company Limited, Leagles Limited, The AUB Emerging Markets Real Estate Fund Limited, The UBK European Property Company Limited and Voyager Insurance Company Limited.

Past directorships and partnerships: Babbé, Babbé Le Pelley Tostevin, Behbehani Investments Limited, Belmont Assets Limited, Broadsword Investments Limited, Bulldog Insurance Company Limited, JN Limited, Magic Holdings Limited, New Street Realty Limited, New Street Realty Limited No 2, Quill Trust Company Limited, Solitude Limited, The AUB Financial Dislocation Fund Limited, The Friends Provident Commercial Property Company Limited (formerly The AUB Commercial Property Company Limited), The UBK Residential Property Company Limited, The UBK Islamic Property Company Limited and UBK Asset Management (Guernsey) Limited.

6.9 None of the Directors:

- i. has been a member of any administrative, management or supervisory body or partner of any company or partnership at any time during the five years preceding the date of this document, save as disclosed in paragraph 6.8 above;
- ii. has had any convictions in relation to fraudulent offences in the five years preceding the date of this document;
- iii. has been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or a partner of any company and/or partnership referred to in paragraph 6.8 above;
- iv. has been the subject of any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) and has not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years (for this purpose, "issuer" has the meaning ascribed to it by Appendix I to the Prospectus Rules).

7. Material contracts of the Group

The following are all of the material contracts, not being contracts entered into in the ordinary course of business, that have been entered into by any member of the Group during the period beginning two years immediately preceding the publication of this document, and any other contract, not being a contract entered into in the ordinary course of business, that has been entered into by any member of the Group which contains provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

- 7.1 An agreement dated 4 June 2009 between the Company (1) and the Investment Manager (2) under which the Investment Manager provides management services to the Company and any further subsidiaries incorporated outside the Current Group and an agreement dated 4 March 2005 as novated on 16 February 2007 and amended on 5 August 2008 and 4 June 2009 to which FCPT (1), the Property Subsidiary (2) and the Investment Manager (3) are party under which the Investment Manager provides management services to the Current Group (both agreements together being referred to as the "Investment Management Agreement"). Pursuant to the Investment Management Agreement, the Investment Manager is appointed to act as investment manager of the Group, to manage the assets of the Group in accordance with the investment policy of the Group or any part of it, as relevant, and to implement the borrowing policy from time to time of the Group or any part of it as relevant. Under the terms of the Investment Management Agreement, subject to the overall supervision of and directions from the Directors, the Investment Manager has discretion to buy, sell, retain, manage, lease, exchange or otherwise deal in property assets and indirect property related assets of the Group. Under the terms of the Investment Management Agreement, the Investment Manager has also agreed to provide certain administrative services to the Group.

Under the Investment Management Agreement, the Investment Manager will receive an aggregate base management fee from the Group, payable quarterly in arrears, in an amount equal to 0.15 per cent. per quarter of the Total Assets at the Valuation Date not represented by net current assets and 0.0625 per cent. per quarter of that part of the Total Assets at the Valuation Date as is represented by net current assets. The Investment Manager is also entitled to a performance fee equal to 20 per cent. of the amount by which the total return (whether positive or negative) on the directly held properties of the Group exceeds 110 per cent. of the total return (90 per cent. if the total return is negative) on the benchmark and multiplied by the Group's average Total Assets (excluding any Indirect Property Funds or listed investments). The benchmark for measuring the comparative performance of directly held properties is the total return of the IPD All Quarterly and Monthly Funds Index. The performance fee payable in each financial year is capped at an amount which, when added to the aggregate base management fee payable in each financial year equals 1.0 per cent. of the average Total Assets. Performance fees in excess of this capped return can be carried forward for up to two subsequent financial years subject to the 1.0 per cent. cap. The performance fee is measured over a rolling three year period and the performance fee payable in respect of any one financial year is equal to the total performance fee earned over that three year period less any performance fees already paid in the previous two years. In the event that the amount already paid in the previous two years is in excess of the amount earned over the rolling three year period such excess shall be repaid to the Group by the Investment Manager.

The Investment Manager is also entitled to an administration fee of £109,768 per annum currently (which increases annually in line with inflation), payable quarterly in arrears. The fees of any managing agents appointed by the Investment Manager will be payable by the Investment Manager out of its fees.

The Investment Manager is entitled to retain commissions in respect of insurance put in place by it on behalf of the Group. The Investment Manager is entitled to delegate any of its duties under the Investment Management Agreement to its associates but its liability to the Group is not affected by any such delegation. Under the terms of the Investment Management Agreement, the Investment Manager has agreed to act in good faith and in a responsible manner and with the reasonable skill and diligence to be expected of a competent and prudent investment manager and to act in the best interests of the Group. The Investment

Management Agreement contains an unlimited indemnity in favour of the Investment Manager against claims by third parties except to the extent that the claim is due to a breach by the Investment Manager of the Investment Management Agreement or to the negligence, wilful default or fraud of the Investment Manager or any party to whom the Investment Manager has delegated any of its functions. The Investment Management Agreement may be terminated by any party giving to the other not less than six months' notice, or otherwise forthwith in circumstances, *inter alia*, where one of the parties has a receiver appointed over its assets or if an order is made or an effective resolution passed for the winding up of one of the parties or if the Investment Manager or any holding company or undertaking of the Investment Manager is the subject of any change of control (within the meaning of section 840 of the Income and Corporation Taxes Act 1988) which has not been consented to by the Board or if the Investment Manager commits a material breach of its obligations under the Investment Management Agreement. In the event of the termination of the Investment Management Agreement for whatsoever reason, the Company shall be obliged to use its reasonable endeavours to change its name to a name not including the word "F&C" or any letters or words colourably or confusingly similar thereto.

The Investment Manager has agreed to delegate the property management function under the Investment Management Agreement to the Property Manager. The Current Group consented to the delegation on 1 September 2008 and the Company intends to do so in due course on similar terms but the Group is otherwise not a party to the delegation agreements and the delegation is without prejudice to any rights of the Group against the Investment Manager under the Investment Management Agreement.

- 7.2 An administration and secretarial agreement dated 4 March 2005 between FCPT (1), the Administrator (2), and the Property Subsidiary (3) and an administration and secretarial agreement dated 28 May 2009 between the Company (1) and the Administrator (2) (both agreements together being referred to as the "Administration and Secretarial Agreement"), whereby the Administrator is appointed to act as administrator, secretary and registrar of the Group. The Administrator shall be entitled to receive an annual fixed fee of £50,000 and a fee of £5,000 in respect of work carried out on the current transaction. The Administrator shall also be entitled to reimbursement of fees and expenses disbursed by the Administrator on behalf of the Group. The Administration and Secretarial Agreement contains an unlimited indemnity in favour of the Administrator against claims by third parties except to the extent that the claim is due to the negligence, wilful default or fraud of the Administrator. The Administration and Secretarial Agreement may be terminated by any party giving to the others not less than 90 days' notice in writing given so as to expire on the last day of any calendar month or otherwise in circumstances, *inter alia*, where one of the parties goes into liquidation or commits any material breach of any of the obligations under the Administration and Secretarial Agreement.
- 7.3 An internal administration agreement dated 4 March 2005 between FCPT (1) and the Property Subsidiary (2) whereby the Property Subsidiary agreed to act as the property investment holding company of FCPT with the responsibility to acquire, hold and dispose of assets within the Property Portfolio on behalf of FCPT subject at all times to the overall policies, direction and control of the Board and the investment policy. Pursuant to this agreement, FCPT has agreed to fund the Property Subsidiary by share and/or loan capital and/or otherwise in amounts to be determined from time to time for the purposes of acquiring and maintaining the Property Portfolio. The Company is not a party to this agreement.
- 7.4 A valuation agreement dated 27 May 2009 between the Company (1), FCPT (2) and DTZ Debenham Tie Leung Limited (3). Pursuant to this agreement, the Valuer has agreed to provide a valuation report to be included in the Prospectus. Under the agreement, the Valuer is entitled to receive a one-off fee equal to the aggregate of £40,000 and 0.00357125 per cent. of the value of the direct properties as at 30 April 2009 (exclusive of VAT and reasonable expenses) for the valuation as at 30 April 2009 and in respect of its valuation report contained in Part 5 of this document. The fees in respect of ongoing valuation services are provided for in the valuation agreement summarised below.

A valuation agreement dated 27 May 2009 between FCPT (1), the Company (2) and DTZ Debenham Tie Leung Limited (3). Pursuant to this agreement, the Valuer has agreed to provide valuation services in respect of the direct property assets of the Group. The agreement is effective retrospectively for a period of three years from 30 June 2008. Any party may terminate this agreement by giving to the others not less than 30 days' written notice. Under the agreement, the Valuer is entitled to receive an annual fee equal to 0.0165 per cent. of the aggregate value of the properties comprised in the Property Portfolio, together with all reasonable out of pocket expenses. The valuation agreement provides that the Company is entitled to rely on the valuations produced to the same extent as FCPT.

- 7.5 By a letter dated 4 June 2009, Friends Provident has irrevocably undertaken to the Company that, at any time or times when Friends Provident together with its associates are entitled to exercise, or to control the exercise of, 30 per cent. or more of the rights to vote at general meetings of the Company, it will not, and will exercise such rights as it may have to procure that none of its associates will:
- (i) seek to nominate directors to the board of the Company who are not independent of Friends Provident or its associates;
 - (ii) take, in Friends Provident's or its associates' capacity as beneficial holders of any Ordinary Shares, any action which would be detrimental to the general body of Shareholders;
 - (iii) take any action which may result in the Investment Manager or Property Manager of the Company or any of the Directors of the Company not being able to carry out its or their duties independently of Friends Provident or any of its associates (provided that this obligation shall cease to be applicable to the Investment Manager and/or the Property Manager to the extent that either ceases to be part of the Friends Provident group); or
 - (iv) permit Friends Provident or any of its associates to enter into any transaction or relationship with the Company other than at an arm's length and on a normal commercial basis.

For these purposes, any action which has the support or recommendation of a majority of the Directors of the Company, or voting by Friends Provident or its associates at any general meeting convened by the Board, shall be deemed not to be detrimental.

Friends Provident entered into an equivalent letter in favour of FCPT dated 4 March 2005 which will effectively fall away when subsidiaries of Friends Provident no longer hold above 30 per cent. of the shares in FCPT.

- 7.6 Pursuant to the terms of a facility agreement dated 18 March 2005 between, *inter alios*, FCPT (1) and the Bond Issuer (2) (the "Facility Agreement") the Bond Issuer made available to FCPT a term loan facility of £230,000,000. Interest is payable by FCPT at a rate equal to the interest rate payable on the Bonds. The amounts advanced under the Facility Agreement are repayable on 30 June 2015.

If a Loan Event of Default (as defined in the Facility Agreement) was triggered the amounts advanced under the Facility Agreement would be repayable immediately upon demand. The Facility Agreement contains a number of Loan Events of Default and covenants relating to the solvency of the Existing Group, the nature of the Property Portfolio, the gearing of the Existing Group and the interest cover. A Loan Event of Default will be triggered if, *inter alia*, (i) the amount of the loan facility exceeds 40 per cent. of the value of the assets of the Existing Group secured pursuant to the security granted in accordance with the terms of the Facility Agreement (the "Gross Secured Assets"); (ii) the amount of all borrowings of the Existing Group exceed 50 per cent. of the value of the Gross Secured Assets; or (iii) if the net rental income of the Property Portfolio held by the Existing Group (including the Indirect Property Funds) less certain operating costs should fall below 1.5 times the amount of interest payable under the Facility Agreement over the period the net rental income is calculated. A Loan Event of Default under the Facility Agreement will also be triggered if an event of default occurs in respect of the Bonds. The events of default in respect of the Bonds

relate, *inter alia*, to the Bond Issuer's payments obligations in respect of the Bonds and the solvency of the Bond Issuer.

Dividends may only be paid to the extent that the net rental income of the Property Portfolio held by the Existing Group (including the Indirect Property Funds) in both the period (i) six months prior to the proposed dividend payment date; and (ii) six months following the proposed dividend payment date less certain operating costs and the amount of the proposed dividend do not fall below 2.0 times and, after deduction of the proposed dividend, do not fall below 1.75 times the amount of interest payable under the Facility Agreement over such period.

The amount advanced under the Facility Agreement is secured by fixed and floating charges over the assets of FCPT and the Property Subsidiary granted pursuant to a security trust deed, certain deeds of charge, a Belgian law pledge over an interest service account located in Belgium and related security documentation. In terms of the security trust deed, the members of the Current Group (but not the Company and any subsidiaries incorporated by the Company outside the Current Group) are prohibited from granting any security over their assets other than that in favour of The Bank of New York in its capacity as Borrower Security Trustee without the prior consent of the Borrower Security Trustee.

8. General

- 8.1 It is expected that the total costs and expenses of and incidental to the Issue and the Offer payable by the Company will be approximately £830,000, being 0.16 per cent. of the net assets of FCPT as at 30 April 2009.
- 8.2 Assuming the Offer becomes unconditional and upon completion of the statutory compulsory acquisition procedure, the net proceeds available for investment by the Company will be equal to the net proceeds of FCPT and its subsidiaries at that time available for investment and these net proceeds will be invested in accordance with the Company's investment policy described in Part 1 of this document. If the Offer does not become unconditional then no New Ordinary Shares in the Company will be issued and the Company (i.e. New FCPT Limited) will be wound up.
- 8.3 Neither the Company nor the Group is or has been engaged in any governmental, legal or arbitration proceedings which may have, or have had in the previous 12 months, a significant effect on the Company's and/or Group's financial position or profitability, nor so far as the Company and the Group are aware are any such proceedings pending or threatened.
- 8.4 The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is for at least the next 12 months from the date of this document) and that the working capital available to the Group, both before and after completion of the Offer, is sufficient for the Group's present requirements (that is for at least the next 12 months from the date of this document).
- 8.5 Dickson Minto W.S. has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of its name and the references to it in the form and context in which they appear.
- 8.6 The Valuer has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report in Part 5 of this document and the statements attributed to it and references to it in the form and context in which they appear and has authorised the contents of its report and statements attributed to it and references to it for the purposes of Rule 5.5.3(2)(f) of the Prospectus Rules.
- 8.7 The Issue will constitute a significant gross change in relation to the Company. Had the Issue been undertaken at the date of this document and had the Company completed the acquisition of the entire issued share capital of FCPT on that date, the effect of this significant gross change would have been: (i) to increase the net assets of the Company by the net assets of FCPT and its subsidiaries, less the costs of the Issue and the Offer; and (ii) to increase the net revenues of the Company by the net revenues of FCPT and its subsidiaries.

- 8.8 No member of the Group has had any employees since its incorporation and other than the Property Subsidiary, none of them own any premises.
- 8.9 The valuation report in Part 5 of this document has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by the Valuer no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 8.10 Information in relation to the Market Values of the holdings in the Indirect Property Funds held by the Current Group has been sourced from the published net asset value of MUT as at 30 April 2009 and IPIF as at 31 March 2009 and has been accurately extracted for the purposes of calculating the Market Values on the basis set out in Part 4.
- 8.11 The information in this document stated as having been sourced from the IPD Rental Information Service report (abbreviated to IPD IRIS) on pages 5, 23, 25 and in Part 4 or as being from IPD has been sourced from the IPD Rental Information Service report for March 2009 and has been accurately reproduced and so far as the Company's aware and is able to ascertain from information published by IPD no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 8.12 Save as described in paragraph 8.11 above, the information in this document that has been sourced from the IPD Quarterly Benchmark Report for March 2009 in Part 4 and the IPD UK Quarterly Index on page 23 and the IPD Annual Index on page 24 and the IPD UK Monthly Index in April 2009 on pages 24 and 41 and the IPD Benchmark Geographic Analysis Dispersion Report as at end March 2009 in Part 4 has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by IPD, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 8.13 The Company has not incurred any borrowings or indebtedness, has not granted any mortgage or charge over any property and has not provided any guarantees since the date of its incorporation. Since the date of incorporation, save for entering into the material contracts set out at section 7 of this Part 6 and save for issuing the Offer Document, the Company has not commenced operations and no financial statements have been made up by the Company as at the date of the Prospectus.
- 8.14 The Company currently has no cashflows. If the Offer becomes unconditional and the Company acquires the entire issued share capital of FCPT, the Company's cash flows will derive from its investment in FCPT, FCPT's underlying investments and any other investments made by the Company from time to time. The Company's underlying investments will be made in accordance with the Company's investment policy and will therefore be restricted principally to UK commercial property held either directly or indirectly. The Group will also derive cash flows from interest on any cash held by the Group from time to time.
- 8.15 The Company is subject to the Disclosure and Transparency Rules of the UK Financial Services Authority pursuant to which any shareholding carrying five per cent. or more of the voting rights in the Company (including under certain circumstances an indirect holding in or economic exposure to the Company) must be notified to the Financial Services Authority and the Company in accordance with the Disclosure and Transparency Rules.
- 8.16 The published net asset value of an FCPT Ordinary Share, calculated in accordance with the accounting policies of FCPT, as at 30 April 2009, the latest date at which it was calculated, was 76.7p per share.
- 8.17 The valuation report set out in Part 5 of this document, prepared by the Valuer, as independent valuers, was carried out as at 30 April 2009 which is, for the purposes of a property valuation, the latest practicable date prior to the publication of this Prospectus.

9. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Royal London House, 22-25 Finsbury Square, London EC2A 1DX and Ozannes, 1 Le Marchant Street, St. Peter Port, Guernsey, GY1 4HP until 31 December 2009:

- (i) the memorandum and articles of incorporation of the Company;
- (ii) the material contracts referred to in paragraph 7 above;
- (iii) the letters of appointment referred to in paragraph 6.2 above;
- (iv) the written consents referred to in paragraphs 8.5 and 8.6 above;
- (v) the valuation report referred to in Part 5 of this document;
- (vi) FCPT's reports and accounts for the 3 years to 31 December 2008;
- (vii) the Offer Document;
- (viii) the Form of Acceptance; and
- (ix) this document.

10. Availability of Prospectus

Copies of the Prospectus are available for inspection at the Document Viewing Facility, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS and in electronic form on the FCPT website at <http://www.fccpt.co.uk>. Until 31 December 2009, copies of the Prospectus and the Offer Document are available for collection, free of charge, from the offices of F&C Investment Business Limited, 80 George Street, Edinburgh EH2 3BU, Dickson Minto W.S., Royal London House, 22-25 Finsbury Square, London EC2A 1DX, G&N Collective Funds Services Limited, 14 Alva Street, Edinburgh EH2 4QG and Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL.

Copies of the Prospectus and the Offer Document are also available upon request by writing to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH.

5 June 2009

