

GLANMORE UPDATE

13 September 2009

Further to our recent announcements regarding the successful completion of the capital raising for GBP95 million, we are enclosing the latest share price for the Glanmore Property Fund together with responses to a number of queries raised regarding redemptions and the current position of the fund:

As previously mentioned, once the capital raising had been successfully completed, the managers would be in a position to pay down a substantial portion of the redemption queue. In line with this commitment, the managers are writing to the entire redemption queue to draw attention to the fact that the fund has cash to commence redemptions as outlined in the Offer, and is very likely to commence payments as at 30th September. The letter further asks if the shareholder wishes to reconsider their redemption request given the dramatic fall in the NAV during the course of the redemption suspension (Sample Letter attached). Once those investors, who have sought redemption, have responded with regard to whether they wish to proceed with their request, the managers will proceed with redemptions in strict chronological order.

Both RBS and Canada Life have had significant amounts of their debt repaid as at 2nd and 3rd September and the LTV on Glanmore is now standing at approximately 69.1% on average. The total amount owed to RBS now stands at GBP433.2 million, with Canada Life owed currently GBP112.2 million (Total debt on Glanmore now stands at GBP545.4 million). In terms of the LTV to each lending institution the LTV ratio to RBS now stands at 70.7% and Canada Life at 63.6%. Subsequent to the recent capital raising exercise, Canada Life have agreed to waive their breach conditions of a maximum LTV of 70% until December 2010. Under the terms of the new agreements with RBS, who hold the largest portion of debt, the total LTV ratio must not now exceed 90%.

In terms of the issue of new 'B' shares, the administrators for the fund have begun the process of issuing new contract notes showing details of new shareholdings etc. Please advise us if your client has not received the relevant information by the 30th September.

With regard to the latest Glanmore share price attached, please note that this reflects the fall in value following the capital raising and a subsequent further fall in property values. We believe that the valuation drop on the portfolio for the month ended 31st August is one of the lowest for the past 12 months, with a number of the properties being valued up for the first time this year.

Price Updates 1 September 2009:

Glanmore Property Fund:
GBP 16.211 **(-29.823%)**

Glanmore Accumulation Fund:
GBP 2.674 **(-29.816%)**

Glanmore Accumulation 'B' Shares:
GBP 6.981