

PILLAR NUMBER ONE IN RETAIL PARK

MANAGEMENT

10TH JUNE 2002

Pillar Property has extended its position as the leading investment manager of retail parks within the UK with 5.2 million sq ft under active management compared to 4.5 million sq ft last year.

As revealed in TW Research Associates and FPD Savills' soon to be published annual review, *The Definitive Guide to Retail & Leisure Parks*, Pillar retains its position as the number one investment manager even if the forthcoming sale of a portfolio of smaller parks to Morley Fund Management is considered (the sale will not be completed until 24 June).

The chasing pack is now led by Prudential Property Investment Managers who climb to second place with 3.74 million sq ft in active management, closely followed by LaSalle Investment Management and Land Securities who manage 3.60 million sq ft and 3.47 million sq ft respectively.

British Land and Chartwell Land have both increased their portfolios while Morley Fund Management slips from fifth place to seventh following the creation of The Junction Limited Partnership, the main factor behind Capital & Regional joining the top ten. (Morley would only have slipped to sixth had the Pillar sale completed last month).

| Rank 2002 | Rank 2001 | Owner / Investment Manager | Area - Million Square Feet |
|----------------------|----------------------|--|---|
| 1 | 1 | • Pillar Property | 5.20 |
| | | • Prudential Property Investment Managers | 3.74 |
| 2 | 4 | | |
| 3 | 2 | • LaSalle Investment Management | 3.60 |
| 4 | 3 | • Land Securities | 3.47 |
| 5 | 7 | • British Land | 3.18 |
| 6 | | • Chartwell Land | 2.62 |
| 7 | 5 | • Morley Fund Management | 2.56 |
| 8 | 8 | • Standard Life Investments | 2.51 |
| | | • Legal & General Investment Management | 2.49 |
| 9 | 9 | | |
| 10 | | • Capital and Regional | 2.45 |
| | | All Retail Parks | 85.59 |

The report reveals that as last year, all ten leading investment managers cover more than 2 million sq ft of retail parks, looking after 37.2% of the overall 85.59 million sq ft of retail floorspace, slightly down on last year's 38.5%. This decrease is because although schemes under management increased by 4.7% or 1.5 million sq ft, the market grew at a higher rate of 8.5%. The top twenty investment managers look after 55.2% of total retail floorspace.

PILLAR ALSO LEADS RETAIL WAREHOUSING MANAGEMENT

Widening the analysis to include free-standing retail warehouse units, such as B&Q, Currys and Halfords, changes the picture dramatically but still leaves Pillar Property with 5.6 million sq ft under active management compared to 4.8 million last year.

Prudential Property Investment Managers once again leads the chasing pack moving up two places to second with Chartwell Land who rise two places to third. British Land and Legal & General have both increased their portfolios while Morley Fund Management slips from third place to seventh. Aberdeen Property Asset Managers joins the top ten for this first time following a series of mergers.

If the Morley/Pillar sale had taken place earlier, Pillar would have dropped from first to fourth with Morley rising back to third place, as last year. Prudential Property Investment Managers would take first place, partly as a result of moving management of Scottish Amicable schemes in-house.

| Rank 2002 | Rank 2001 | Owner / Investment Manager | Area - Million Square Feet |
|-------------------------------|-----------|---|----------------------------|
| 1 | 1 | • Pillar Property | 5.59 |
| | | • Prudential Property Investment Managers | |
| 2 | 4 | | 5.15 |
| 3 | 5 | • Chartwell Land | 5.13 |
| 4 | 2 | • Land Securities | 4.85 |
| 5 | 7 | • British Land | 4.43 |
| 6 | 6 | • LaSalle Investment Management | 4.38 |
| 7 | 3 | • Morley Fund Management | 4.29 |
| | | • Legal & General Investment Management | |
| 8 | 9 | | 3.36 |
| 9 | | • Aberdeen Property Asset Managers | 3.24 |
| 10 | | • Henderson Global Investors | 2.85 |
| All Retail Warehousing | | | 147.00 |

Apart from Morley, every manager in the top ten increased the size of their retail portfolio and they now look after 29.4% of the overall 147 million sq ft of retail warehousing floorspace throughout the UK, up from 28.9% last year.

Trevor Wood, principal of TW Research Associates, said: “This analysis shows the continuing concentration that is occurring in retail investment management, partly through mergers and partly due to the utilisation of the skills and expertise of successful property owners for the benefit of the smaller funds.”

Richard Allsop, director of FPDSavills Commercial, concluded: “We foresee that this trend towards consolidation of investment management will continue as the specialists within the sector are able to generate added value and economies of scale.”

The review is available for £245.00 from TW Research Associates, retail@twresearch.co.uk, tel: 01494 715 846.

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