

Property Week.

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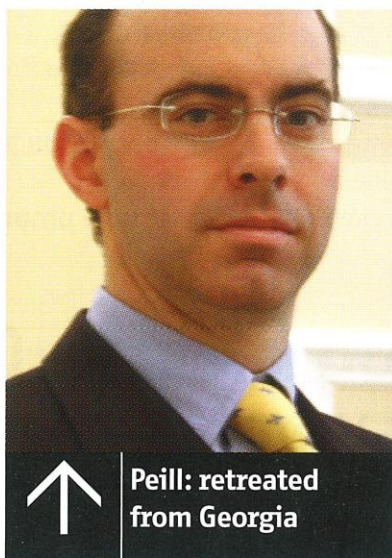
Argo man homes in on distressed UK

THE PARTNERS OF FUND manager Argo Saint George and a trio of UK property veterans have teamed up to create a company to cash in on the depressed UK market.

The company, Heracles, will start to invest in November, targeting the UK's secondary property market. It aims to have £100m of property under management within 12 to 18 months.

The launch of the company, led by Argo partner David Peill (pictured), who will be chief executive, comes one month after the launch of his Alliance Property Fund in Georgia had to be shelved because of the conflict between Georgia and neighbouring Russia.

Peill had planned to launch a \$200m (£109m) opportunity fund in Georgia, and had already raised \$30m (£16.4m) of equity, but decided to put the vehicle on



Peill: retreated from Georgia

hold after Russia retaliated to Georgia's attacks on its breakaway regions of South Ossetia and Abkhazia.

He is now prioritising UK property investment and has teamed up with ex-Mansford Holdings chairman Gavin MacEchern, who will be chairman, ex-Savills equity partner James Dean and property entrepreneur Johnnie Arkwright in a 50:50

joint venture to be based in London's West End.

He told *Property Week*: 'The reason we went as far as Georgia is because we were focused on having an opportunistic business and we couldn't find the returns in the UK. Now we see that opportunity has swung back.' Peill said the Alliance fund would be on hold until early 2009.

Heracles would be the external manager of a series of limited partnerships set up to buy property on behalf of syndicates of wealthy individuals. Heracles' partners would invest a minimum of 10% of the equity of every purchase, which are likely to be between £1m and £20m.

Investors are expected to invest a minimum of £500,000 and Peill said the targeted internal rate of return was 20%.

HERACLES

1st October 2008, LONDON

ADVANCE PRESS RELEASE: LAUNCH OF HERACLES LLP 1st NOVEMBER 2008

Heracles LLP (“Heracles”) is a UK focused property and fund management partnership between Argo Saint George LLP, former Mansford Holdings plc Chairman, Gavin MacEchern, James Dean, formerly a director of Savills plc and ex-Mansford plc Director, Johnnie Arkwright.

Heracles will target UK income producing commercial assets with active management potential, initially in lot sizes between GBP1 million and GBP20 million. David Peill MRICS, co-founder of Argo Saint George LLP, takes the role of Chief Executive, commenting, “We are delighted to be working with such experienced partners, especially at such a pivotal time in the market. With the team and resources around us we are confident of building Heracles into at least a GBP100 million property business during the next two years.”

Gavin MacEchern, who takes on the role of Chairman of Heracles, added “Heracles will take advantage of UK commercial property investment opportunities resulting from the recent and ongoing market correction.”

Heracles’ Partners have committed substantial equity on terms pari passu with its Investors.

Heracles will be located at 48 Charles Street, Mayfair, London, W1J 5EN.

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Argo Saint George LLP is a property fund management business focused on managing high growth property investment and development funds. The partnership was founded in 2005 by Daniel Geoghegan, who leads its corporate finance activities, and David Peill MRICS, formerly of Savills plc. Partner Tony Larkin, an investment banker and chartered accountant of 20 years experience, heads up the fund management operation. Argo Saint George LLP advised on over USD0.5 billion of property transactions in 2007 and manages property interests in the UK, Switzerland and Georgia.

David Peill, MRICS – Chief Executive

David Peill is a co-founder of Argo Saint George LLP, a London-based property fund management partnership, where he has led its asset management interests in the UK, Switzerland and Georgia. During the course of 2007 he advised on over USD0.5 billion of property transactions.

Prior to founding Argo Saint George LLP in 2005, Mr. Peill spent over ten years at Savills plc, focusing initially on providing professional valuation advice principally to banks and latterly as a key member of the debt and equity finance team where he was involved in single transactions of up to GBP200 million. Mr. Peill is a Chartered Surveyor with a strong track record of building businesses and identifying opportunity markets.

Gavin MacEchern – Chairman

Gavin MacEchern is the former chairman and founding partner of Mansford Holdings Plc, a European multi-strategy real estate private investment firm which has managed circa GBP1.7 billion of direct and indirect investments since its inception. During his tenure the company realised 37 UK investments which generated a gross leveraged Internal Rate of Return of 37% and a multiple in excess of 3x invested equity.

Prior to Mansford, Mr. MacEchern was a founder shareholder and director of Arlington Securities, a property company in the United Kingdom which was floated on the London Stock Exchange in 1986. In 1989 it was sold to British Aerospace for GBP278 million. Mr. MacEchern started his career as a solicitor the City of London.

James Dean – Partner, Investment Committee

James Dean has worked for Savills plc since 1973, becoming an equity partner in 1983 and a plc Director on flotation in 1988 until 1999. He was head of the investment department within the commercial division prior to going part-time in 1999. He remains a consultant to a number of subsidiaries of Savills plc and is chairman of the internal trustees of the Diageo Pension Trust, a fully discretionary client of Cordea Savills.

Mr. Dean is a non-executive director of CLS Holdings plc, Daniel Thwaites plc and Branston Holdings Ltd. In addition he runs his own family property company and is a trustee for a number of family trusts which have extensive commercial and agricultural property holdings.

Johnnie Arkwright – Partner, Investment Committee

Johnnie Arkwright began his career as a chartered surveyor with Healey & Baker in London's West End, before creating Pembroke Plc in the 1980's, a retail development company backed by Stock Conversion Plc and Electra Investment Trust. He sold his shareholding in 1988 and subsequently focused on his private interests, including an active non-executive role at Mansford Holdings Plc for over 10 years.

Mr. Arkwright's non-executive directorships include Hatton Ltd, Bowmans Leisure Ltd and The Countryside Alliance Ltd. From 1988 until last year, he was a director of Bibendum Wine Limited, a retail wine business with a GBP100 million turnover.

Daniel Geoghegan – Partner, Corporate Finance

Daniel Geoghegan co-founded Argo Saint George LLP in 2005, since when he has raised in excess of USD300 million of debt and equity finance for high growth property transactions. Prior to that he was corporate finance advisor and board member to the Georgian Reconstruction and Development Company N.V., the leading property developer in Georgia, building on a career in venture capital that began with Venture Capital Investors B.V., a Dutch private investment company, and his business development role at HVM Media Plc.

Mr. Geoghegan holds a law degree, MBA and is a member of the UK Society of Investment Professionals.

Tony Larkin – Partner, Fund Management

Prior to joining ASG as a partner, Tony Larkin was Head of Client Investment at a property fund management business advising on assets under management in excess of GBP250 million. This followed 15 years as a career investment banker with Merrill Lynch, Credit Suisse and JP Morgan. In that time he worked both in corporate advisory and latterly as a highly-rated analyst and head of research, managing teams of professionals, researching and advising on a wide range of fund raisings, IPOs, mergers and acquisitions.

Mr. Larkin initially trained as a chartered accountant with Arthur Andersen, specialising in tax. He is a member of the Institute of Chartered Accountants in England and Wales.