

8 October 2018

LEGAL & GENERAL'S LEISURE FUND ACQUIRES STAFFORD LEISURE SCHEME

LGIM Real Assets (Legal & General) announces that it has acquired Waterfront Leisure scheme in Stafford, on behalf of its Leisure Fund (the "Fund"), from developer LXB Retail Properties. The new scheme was purchased for £9.9m.

Legal & General is committed to transforming towns and cities across the country. As part of this approach, its dedicated Leisure Fund has deployed £90m alone this year into new leisure developments in areas where existing provision is lacking, creating new jobs and contributing to the growth of the local economy.

Marking its latest acquisition of 2018, Waterfront Leisure, the Fund's new 50,642 sq ft development, comprises seven units, fronting the River Sow. It has been purchased with 50% of units pre-let, by square foot, with restaurant space currently leased to Nando's and Frankie & Benny's on 15 year terms. It is anchored by the first purpose built Odeon Luxe Cinema under a 25 year lease agreement.

Formed in 2002, the Leisure Fund Limited Partnership has over £600m of assets under management, comprising 18 prime leisure assets occupying dominant positions across the UK and a major development scheme in York. The fund offers an attractive income profile, with a weighted average unexpired lease term of close to 15 years that is backed by strong covenants and with over 50% of the income benefiting from being inflationary linked or incorporating fixed uplifts as well as an extremely low void rate. In 2017, the Fund delivered a strong total return of 12.9% to its institutional investors, which compared favourably to the MSCI All Leisure Benchmark which generated 10.2%. The Fund is managed by Andrew Ferguson (Senior Fund Manager) and Louis Storrar (Senior Asset Manager).

Andrew Ferguson, Senior Fund Manager of Legal & General, said: "This is a positive addition to the Fund, once again providing the opportunity to revitalise our towns with schemes fit for today's environment and spending habits. As with our other leisure schemes, it provides an attractive yield profile with strong and dynamic anchor tenants.

As a whole, there is now a real momentum in the leisure sector as consumers crave new experiences. Operators are expanding to meet this demand whilst a breadth of new innovative concepts are coming to market, offering everything from new luxury cinemas to virtual reality and a breadth of competitive socialising concepts. As we look towards 2019 and beyond, we have increasing appetite for further new development deals, in areas which lack sufficient provision for today's consumer. These allow us to shape the operator profile and provide schemes which

are targeted to changing dynamics, allowing us to bring a new and sought after offering to the UK's towns and cities."

Legal & General has recently released its Leisure Futures Report, addressing the challenges and opportunities the sector is facing, providing key findings on how leisure services have and continue to evolve, who the tenant of the future is and what are the physical space requirements. It provides a varied toolkit including interviews with some of the core Leisure Fund tenants, insight from leading market agent Savills and a glimpse into the future from consumer visionary The Future Laboratory. The report is available here:

https://www.legalandgeneral.com/institutional/real-assets/insights/thought_leadership/the-future-of-leisure.html

- Ends -

For further information, please contact:

Lauren Kemp

PR Manager, Legal & General Capital and LGIM Real Assets

Tel: +44(0) 20 3124 3394

Email: lauren.kemp@lgim.com

Faye Bennett

PR Manager, Legal & General Capital and LGIM Real Assets

Tel: +44(0) 20 3124 2823

Email: Faye.Bennett@lgim.com

Notes to editors

LGIM Real Assets

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £983.3bn in assets on behalf of over 3,200 clients (as at 31 Dec 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £27bn (as at 31 Dec 2017), actively investing and managing assets across commercial property, private residential, infrastructure and property lending and, most recently, corporate credit.

Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with a number of growing businesses in the US. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We operate in three principal areas:

-Investing & Annuities, where we manage £58bn of retirement annuities for policyholders and invest for their long term return within Legal & General Retirement, as well as investing our own balance sheet within Legal & General Capital;

-Investment Management, where we have £983bn in total assets under management from clients in the UK, US, Asia and EMEA and a leading UK workplace savings and retail investments business within LGIM; and

-Insurance, where we provide protection against life events for customers, with £2.9bn of gross written premiums principally in life insurance in the UK and US within Legal & General insurance and household insurance in the UK within our General insurance division.