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EVERGREEN FUND MAKES £6 MILLION INVESTMENT IN 400,000 SQ FT SOAPWORKS OFFICE DEVELOPMENT IN SALFORD

The North West Evergreen Fund, which invests in real estate projects in Greater Manchester, Cumbria, Cheshire and Lancashire, has made an early investment, providing a loan of £6 million to the Soapworks regeneration development project in Salford, which is owned by global alternative asset manager, The Carlyle Group and its joint venture partners Nikal and Abstract Securities.

The Evergreen investment will support the delivery of the second 210,000 sq ft phase of the proposed 400,000 sq ft Grade A office redevelopment of the former Colgate-Palmolive factory in Salford Quays' new Media City boundary. The Carlyle Group's Soapworks is a major regeneration project with a gross development value of circa £70 million that is set to transform the historic site into a commercial hub, creating new employment opportunities and revitalising the Exchange Quay area. The

Evergreen-funded part of the project alone is set to deliver 1,350 jobs and will act as a catalyst for further phases of the Soapworks development which will create up to 2,500 jobs.

The secured financing will allow construction of the second phase of the Soapworks development, blocks A, B and C, to commence early in 2013, with completion expected by the end of that year, providing c.210,000 sq ft of Grade A, shell and core office space. This follows the completion in October 2011 of the first phase of the project, the 20,000 sq ft Boilerhouse, which is already fully let to engineering firm Vital Services. The final phase of the Soapworks project, Block D, will add a further 170,000 sq ft of office space when it is completed at a later date.

The North West Evergreen Fund, which is made up of 16 local authority limited partners was established to provide funding to support real estate projects which are critical to the region's economy, generating jobs and growth. It is capitalised through the European Regional Development Fund (ERDF) and other public money allocated under the Joint European Support for Sustainable Investment in City Areas (or "JESSICA") initiative, which is managed by the European Investment Bank in the North West on behalf of the Homes and Communities Agency. The application to the EIB was led by the Association of Greater Manchester Authorities. The Soapworks project exceeded the regeneration targets covering employment, remediation and floor space outputs and, as such, was granted the maximum amount that the Evergreen Fund could provide.

The Evergreen model provides loan funding to be invested in projects which will generate a financial return and will then be recycled back into the fund to help support further projects. The fund is advised by CBRE Indirect Investment Services Limited, the FSA regulated arm of CBRE Real Estate Finance, and co-chaired by Manchester City Council and Lancashire County Council.

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