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Matrix European Real Estate Investment Trust Limited
Admission to trading on the London Stock Exchange and results of placing and public offer

London, 30 May 2007 The Board of Matrix European Real Estate Investment Trust Limited (“MEREIT” or the “Company”), a closed-ended, Guernsey registered, investment company, announces that its shares are to be admitted to the Official List of the UK Listing Authority (“Admission”) and announces the results of its placing and public offer which closed on 25 May 2007. A prospectus was published by the Company on 18 May 2007 (the “Prospectus”).

- MEREIT is managed by Matrix Property Fund Management (Guernsey) Limited (the “Manager”). Following Admission it will own a diverse income generating portfolio of commercial properties located in several locations across Austria, Germany, France, Spain and Holland and valued at approximately £541.69 million.
- Matrix Property Fund Management LLP is acting as investment adviser. The Matrix Group currently has more than £1.5 billion of property assets under management.
- The placing and public offer raised £170.78 million with the issue of 25.3 million new shares at £6.75 per share and was significantly oversubscribed.
- Application has been made to admit the new and existing shares, approximately 38.5 million in total, to listing on the Official List and trading on the London Stock Exchange.

The Directors expect the issue proceeds will be used:

- to reduce MEREIT’s borrowings;
 - to acquire the IZD Tower, a 63,330 sq m office tower in Vienna (“Matrix Vienna”);
 - to make an equity investment of £8.49 million in Matrix Dynamic, a joint venture with the Manager and Bank of Scotland Corporate, through its subsidiary, Uberior Europe, which is advised by the Manager. Matrix Dynamic will target capital growth by investing in higher risk property investments throughout Europe; and
 - for general working capital purposes.
- MEREIT’s objectives are to provide Shareholders with an attractive level of income return, together with the potential for income and capital growth, through investment in European property. MEREIT will target, in the absence of unforeseen circumstances, a gross annualised dividend yield of 6% based on the issue price at £6.75 per share for the period from Admission to 30 June 2008. *(MEREIT does not intend this target to be a projection or forecast of dividends actually payable or actual profit or cash available for distribution)*
 - MEREIT’s dividend policy is to pay dividends quarterly, in Sterling, to Shareholders. It is expected that the first dividend payment will be in respect of the period from Admission to 30 June 2007 and paid in August 2007.
 - Shares allotted in the public offer will, subject to applicable limits, be eligible for ISA, PEP, SSAS or SIPP investment.

St Andrews Investments LLP

St Andrews Investments LLP, a joint venture between the Manager and Bank of Scotland Corporate has subscribed for and will be issued 3,851,851 shares under the issue for circa £26 million. These shares represent 9.99 per cent. of the share capital of MEREIT immediately following Admission and will be subject to a lock up agreement.

Initial Net Asset Value

On the basis of the assumptions in the Prospectus the net asset value per share following Admission and the acquisition of Matrix Vienna is expected to be £5.77. The adjusted net asset value per share, which assumes the sale of vehicles rather than underlying assets is expected to be £6.47.

Financing

MEREIT's articles of association permit borrowings up to a maximum of 65 per cent. of its consolidated gross assets, calculated as at the date the indebtedness is incurred. Following Admission, the Directors intend to propose a resolution at the Company's Annual General Meeting to remove this limit. Notwithstanding any such change, MEREIT's policy will be to target gearing of 65 per cent. of gross assets, including MEREIT's share of the assets and borrowings of other unconsolidated undertakings in which MEREIT is interested. Following Admission, the acquisition of Matrix Vienna and on the basis of the assumptions in the Prospectus, MEREIT expects to have indebtedness of £473.93 million (source: unaudited management accounts as at 30 April 2007) and intends to seek to refinance its indebtedness in the capital markets to lower its costs of borrowing.

Currency Hedging

As currency fluctuations may affect the income return or capital value of MEREIT's investments, the Board intends to implement currency hedges which will reduce the exposure to movements in exchange rates on its net asset value and dividends. As a result of these currency hedging transactions, MEREIT should be able to take advantage of the interest rate differential between Sterling and the Euro to supplement the net cash income derived from its property portfolio available for paying dividends

Crispian Collins, Chairman of Matrix European Real Estate Investment Trust, said:

"We are delighted that our IPO generated such a good response from many investors, a sign of confidence in the quality of our portfolio and the experience of the management team. We welcome the commitment by Bank of Scotland and Matrix to invest in MEREIT shares and our strategic partnership with them through Matrix Dynamic.

"MEREIT provides investors with exposure to a fully invested, multi-tenanted European property portfolio with an attractive yield and the potential for income and capital growth."

Gordon More, Head of Specialist Finance, Bank of Scotland, Corporate Europe, added:

"This deal with Matrix and MEREIT shows the continued growth and evolution of our European business. We were able to demonstrate our support for a very important customer with a complete debt and equity fund solution, enabling them to achieve a number of key objectives including launching their first London Stock Exchange listed fund and ensuring their continued rapid growth in Europe."

Matrix Dynamic

Matrix Dynamic's investment objective will be to invest in property investments with a target equity internal rate of return exceeding 15%. It is expected that Matrix Dynamic will target gearing of 90% of its consolidated gross assets, of which 80% will be senior debt and 10% mezzanine debt. MEREIT, Bank of Scotland Corporate and the Manager have committed up to €50 million (£33.97 million) to Matrix Dynamic by way of equity subscriptions (for shares and/or loan notes) in amounts proportionate to their respective shareholdings. The equity ownership of Matrix Dynamic is to be held as 50% by Bank of Scotland Corporate, 25% by MEREIT and 25% by the Manager.

EXPECTED TIMETABLE

Admission effective and dealings to commence in the Shares	4 June 2007
Expected date when CREST accounts credited against payment	4 June 2007

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Notes to Editors

The Property Portfolio on Admission, and following the acquisition of Matrix Vienna

<i>Location</i>	<i>Country</i>	<i>Sector</i>	<i>Largest Tenant</i>	<i>Tenants</i>	<i>Market Value</i>	<i>Market Value as % of Total</i>	<i>Net Annual Rent</i>	<i>Net Annual Rent as % of Total</i>	<i>Yield</i>
Existing Property Portfolio									
Europort, Kelsterbach	Germany	Mixed Logistics/Office	Schenker	62	£83,214,250	15%	£5,136,903	15%	6.2%
St Etienne	France	Office	Casino	1	£61,748,370	11%	£4,125,389	12%	6.7%
Düren	Germany	Retail	Saturn	52	£44,324,325	8%	£2,304,381	7%	5.2%
Murcia	Spain	Light Industrial	Panrico	1	£4,415,450	1%	£296,342	1%	6.7%
Paracuellos Del Jarmama Punente Genil	Spain	Light Industrial	Panrico	0	£11,616,030	2%	£690,950	2%	5.9%
Valladolid	Spain	Light Industrial	Panrico	0	£5,230,610	1%	£415,380	1%	7.9%
Dusseldorf	Germany	Hotel	NH Hotels	1	£13,925,650	3%	£827,259	2%	5.9%
La Gaude, Nice	France	Office	IBM	1	£29,991,095	6%	£1,820,477	5%	6.1%
Münster	Germany	Retail	Saturn	12	£27,647,510	5%	£2,127,994	6%	7.7%
Kaiserslautern	Germany	Retail	Peek & Cloppenburg	3	£21,567,775	4%	£1,353,409	4%	6.3%
Leiden	Netherlands	Office	Jacobs	3	£21,397,950	4%	£1,195,216	4%	5.6%
Lyon	France	Logistics	La Poste	1	£19,312,499	4%	£1,339,590	4%	6.9%
Celle	Germany	Retail	Real SB-Warenhaus	1	£13,110,490	2%	£905,035	3%	6.9%
				1	£7,574,195	1%	£476,458	1%	6.3%
Total Existing Property Portfolio				137	£365,076,199	67%	£23,014,782	69%	
Vienna Property Portfolio	Austria	Office	OBB	31	£176,618,000	33%	£10,167,358	31%	5.7%
Total Enlarged Property Portfolio				168	£541,694,199	100%	£33,182,139	100%	6.1%

Matrix Group

Matrix Group is a financial services business offering innovative investment products and services. Founded twenty years ago, in 1987, the Group now consists of the following interacting business areas:

- Commercial Property Fund Management & Property Management**

Matrix is a market leader in syndicating and managing commercial property investments on behalf of more than 8,000 investors. Matrix has arranged, raised or syndicated over £2.5bn of commercial property, comprising some 9 million sq ft across more than 80 syndicates and over 200 property transactions.

The Matrix No1 Unit Trust (a Guernsey domiciled unit trust investing in UK commercial property also managed by MPFM Guernsey with UK assets of £555 million as at 31 December 2006) has significantly outperformed the IPD All Properties Index since launch in July 2004.

Important Information

This announcement is not for distribution directly or indirectly in or into the United States, Canada, Australia or Japan. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of MEREIT in the United States, Canada, Australia or Japan or any jurisdiction in which such an offer or solicitation is unlawful. The shares referred to in this announcement have not been and will not be registered under the Securities Act and may not be offered or sold within the United States absent registration or an exemption from registration. No public offering of securities will be made in the United States, Canada, Australia or Japan.

The target initial annualised dividend yield of MEREIT is a target only and is based on assumptions and projections, including with respect to MEREIT's property portfolio, capital structure, costs and expenses, and real estate market and general economic conditions. These assumptions and projections are based on judgements, estimates and beliefs as well as current market conditions, and are therefore subject to change. There can be no guarantee that MEREIT will achieve its target annualised dividend yield.

The price and value of securities may go down as well as up. Past performance is not necessarily a guide to future performance and the failure of any assumptions and projections with respect to the Company to be accurate or correct may adversely impact the value of the Company's securities. Persons needing advice should contact a professional adviser.

All statements in this announcement that are not historical fact are forward looking statements, including, without limitation, statements regarding MEREIT's market capitalisation, the intention to list on the London Stock Exchange, the target initial annualised dividend yield of MEREIT and the intended use of proceeds of the new issue, and statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "assumes", "may", "will", or "should" or in each case, their negative or other variations or similar expressions. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from any future results, performance or achievements expressed or implied by such forward looking statements. Forward looking statements speak only as of the date of this announcement. Except as required by applicable law, MEREIT expressly disclaims any obligation to update or revise forward-looking statements to reflect any change in expectations, new information, subsequent events or otherwise.

The contents of this announcement, which have been prepared by and are the sole responsibility of MEREIT, have been approved solely for the purposes of section 21 (2) (b) of the Financial Services and Markets Act 2000 by Matrix Property Fund Management LLP, which is authorised and regulated by the Financial Services Authority.

This announcement is an advertisement and does not constitute or form part of, and should not be construed as, an offer to sell or issue, or a solicitation of any offer to buy or subscribe for shares, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This announcement is not a prospectus. Investors should not subscribe for or purchase any shares referred to in this announcement except on the basis of information in the prospectus dated 18 May 2007 which is available at the document viewing facility at the UK Listing Authority. In the event of any discrepancy between this announcement and the Prospectus, the Prospectus will prevail. It is not the purpose of this announcement to provide, and you may not rely on this announcement as providing, a complete and comprehensive analysis of MEREIT's financial or commercial position or prospects.

Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, has been obtained for the issue. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Cenkos Securities plc and Lehman Brothers International Europe are acting exclusively for MEREIT and no one else in connection with the placing and public offer and will not be responsible to anyone other than MEREIT for providing the protections afforded to clients of Cenkos Securities plc and Lehman Brothers International Europe nor for providing any advice in relation to the placing and public offer or any other matters referred to in this announcement.

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