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29 May 2015

Drum Income Plus REIT plc

Admission to Trading on the Main Market and Offer of Subscription for Shares

The Directors of Drum Income Plus REIT Plc ("Drum", "the Company" or "the REIT"), a newly incorporated investment company that intends to qualify as a REIT, are pleased to announce that the Company has raised gross proceeds of approximately £31.9 million by means of an Offer of Subscription for Shares.

The Company has applied for the Shares to be admitted to listing on the premium listing segment of the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange ("Admission"). It is expected that Admission will occur and unconditional dealings in the Shares will commence at 8.00 a.m. today.

On admission the Company will have 31,839,000 Ordinary Shares in issue and the market capitalisation of the Company is approximately £31.9 million at the issue price of 100p per Share.

The ISIN number is GB00BW4NWS02 and the SEDOL code for the ordinary shares is BW4NWS0. The shares will trade under the ticker DRIP. Dickson Minto W.S is UK legal advisor to the Company and Sponsor.

Key features of the Company

Drum Income Plus REIT Plc is an income focused real estate fund targeting secondary commercial property assets where there is an opportunity to increase income and capital returns via entrepreneurial proactive asset management and risk-controlled development.

Focus on growth potential – Drum will principally target assets in three commercial property sectors – office, retail (including retail warehouses) and industrial - in strong regional locations that offer identifiable asset management and risk-controlled development opportunities. It is currently expected that Drum will focus on assets outside London and the South East but, given the entrepreneurial nature of the asset management strategy, appropriate opportunities throughout the UK will also be considered. The focus will be on lot sizes of £2m-£15m, where pricing is considered attractive, and there is potential for rental and capital growth.

Lack of competition - the weight of money in the investment market is chasing larger lot sizes (£50m+), creating a pricing anomaly due to the lack of available credit for the target lot size. As the traditional smaller property companies or private individuals that operated in <£15m space have not yet returned post 2008, the REIT is ideally placed to take advantage of this opportunity.

Attractive blend of income return and capital growth - Drum will target assets that offer opportunities for entrepreneurial proactive asset management designed to enhance capital value and income growth, whilst delivering a core 5% gross dividend p.a.

Property and investment expertise – The REIT will be managed by Drum Property Group (“the Asset Manager”). The Asset Manager’s multi-disciplinarian owner-management team has a long track record of successfully developing and managing commercial property investments throughout the UK.

Strong deal flow and investment pipeline – The Asset Manager’s experience and regional expertise will be key in sourcing appropriate assets in line with the investment strategy and is expected to provide access to a healthy future pipeline of investment opportunities on both off and on market basis. The Asset Manager has the capacity and ability to undertake joint-venture activity with institutional investors, and its development pipeline (being currently active on a wide variety of projects with an end value of over £1bn) provides potential for asset swaps.

Gearing – the Drum Board intends to target initial gearing of approximately 40% of gross assets and gearing will not exceed 50% of gross assets at time of drawdown

John Evans, Chairman of Drum Income Plus REIT Plc, commented:

“While there has been increased demand for tenants for commercial real estate, there has over recent years been only limited development, resulting in a lack of supply in some sectors. Commercial property occupier markets in our target sectors are therefore buoyant, with a mismatch between supply and demand.

“Our team has extensive experience of entrepreneurial and proactive asset management and of creating investments that deliver leading revenue and capital appreciation. We intend to follow an asset management strategy that will drive rental growth and maximise additional income opportunities, offering investors an attractive blend of income return and capital growth.”

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Further information can be found in the Drum Income Plus REIT prospectus, published by the Company on 28 April 2015, [here](#).