

Stock Exchange Announcement

Joint venture in €205 million London office development

Blackrock International Land plc is pleased to announce that it has formed a joint venture company with Cornerstone Capital Management Limited, the Dublin based property investment and management company, to acquire and develop three prime sites in the City of London. When completed, the three new office buildings will comprise more than 165,000 square feet of net lettable space.

Blackrock is investing €25 million for a 37.5% stake in the joint venture that has acquired three high-profile development sites close to the Bank of England in London on which it intends to commence immediate construction of three Grade A office buildings. The total project expenditure is expected to be approximately €205 million. The original announcement of this investment on 18 January 2007 included only outline particulars of the transaction as all the related negotiations and legal formalities had not been completed at that time.

The details regarding the three properties are as follows:

Firstly, 1 King's Arms Yard, London, will consist of a seven storey office building constructed to Grade A specification comprising approximately 56,000 square feet. Demolition works are completed and construction is under way. Completion is expected in autumn 2008.

Secondly, 29 – 33 King Street, London, will comprise a seven storey office building constructed to Grade A specification totalling approximately 33,000 square feet. The building contract is currently being finalised and demolition works are expected to commence shortly. Completion is expected in early 2009.

Finally, 1 Bartholomew Lane, London, will comprise a ten storey office building constructed to Grade A specification totalling approximately 76,500 square feet. Preparatory works have already started and demolition works are about to commence. Construction will get underway by year-end and completion is expected in late 2009.

The advisors to the joint venture report that the office market in the City of London continues to show strong rental growth, led by shortages in supply. Total available space is currently estimated at c. 5.4 million square feet. The vacancy rate has fallen consistently from a peak of c. 15% in 2003 to current levels of c. 4%. Take-up in 2006 reached 6.3 million square feet, compared with the 10-year average of 4.9 million square feet. Demand is dominated by interest from the financial and professional sectors, driven by expansion. Prime headline rents in the City are currently running at £59.50 - £62.50 per square foot, although there have been a number of transactions in excess of these figures. With the limited supply of grade A vacancies, upward pressure on rents continues. Headline rents are estimated to have grown by 20% in 2006, with a further rise of 6 - 7% during the first quarter of 2007. Analysts are forecasting further strong growth rates for the next three years.

The pipeline of speculative office developments in the City is currently limited, with space coming to the market over the next two – five years expected to average only 1.9 million square feet per annum compared to the 10-year average take-up of 4.9 million square feet.

Commenting on the transaction, Blackrock Chairman, Carl McCann, said:

"We are pleased to have formed this joint venture with Cornerstone to develop three new first class office buildings in the City of London which due to their size and location will attract strong occupational demand. The London office market is very strong at present, with low vacancy levels and rentals showing significant growth"

**Blackrock International Land plc
16 May 2007**

**For further information, please contact:
Brian Bell, WHPR - Tel: +353-1-669-0030**

King's Arms Yard



King Street

Bartholomew Lane



King Street



Bartholomew Lane

