

Press release



2 June 2010

Management buy-out for KBC Asset Management (UK) Ltd

Brussels / London: On 1 June 2010, KBC Asset Management NV completed the management buy-out of its London-based subsidiary KBC Asset Management (UK) Ltd (hereinafter 'KBCAM UK') with Mr Simon Radford, CEO.

KBC AM UK has £755 million assets under management. The impact of the MBO on KBC's earnings and capital is negligible given the size of the activities.

Although KBCAM UK has a very positive results track record over recent years, it was no longer deemed part of the core strategy of the KBC group which focuses on bancassurance to retail, SME and midcap customers in its core markets (Belgium and Central & Eastern Europe).

Both parties agreed not to disclose financial details of the transaction.

KBCAM UK is a property-specific asset manager specialising in direct and indirect investment solutions for institutional investors seeking exposure to the real estate sector. It is a 100% subsidiary of KBC Asset Management NV, a leading Belgian asset manager, which is in turn a wholly owned subsidiary of the KBC group. The 18 staff currently employed by KBCAM UK will remain with the newly created company. The investor customers will continue to receive the same highly professional service as they did in the past and will not be affected by the management buy-out.

Mr Danny De Raymaecker, Chairman of the Board of Directors of KBC Asset Management NV, commenting on the transaction, said: *"The decision to divest KBCAM UK fits within our group's updated strategy. We are glad to have reached an agreement reflecting the quality of the company's assets and we are confident the experience, business case and vision of Simon Radford and his team will ensure continuity and growth opportunities to KBCAM UK's customers, staff and other stakeholders".*

Mr Simon Radford, CEO of KBCAM UK added: *"I am proud the KBCAM UK team will be able to continue to grow its successful franchise under the new name of **Lothbury Investment Management Limited**. We have been trading exceptionally well this year, notwithstanding the difficult market environment, and remain fully committed to further developing our business activities and serving our investors and clients."*

