

MEDIA RELEASE 28/5/08: 2007 Financial Results

Wednesday 28 May 2008

Embargo: Sunday 1 June 2008 00.01am

MACDONALD REVEALS FURTHER PROFIT GROWTH AS

THREE YEAR STRATEGY BEGINS TO PAY OFF

(Issued on behalf of Macdonald Estates)

14% increase in profits to £5.1 million 800 acres of land secured for master planning New office opening in Dublin Strategic land and retail property developers, Macdonald Estates, has revealed its ninth consecutive year of profit growth and predicted further good prospects despite challenging market conditions. The Scottish company has posted a 14% increase in profits to £5.1 million as the first year of a three year strategy to address declining markets made a positive impact on the bottom line. Dan Macdonald, Chief Executive of Macdonald Estates commented: "I am confident we will see the continuation of further profit growth through to 2009 as a number of our developments reach maturity.

"Our three year strategy started in 2006 and has involved selling our entire created investment product at the earliest opportunity, project by project. We have also moved closer to foodstore anchored development projects where exposure to yield shift has less impact. The final aspect of this strategy was to spend more time using our expertise in planning to create more strategic development land opportunities. This is where we are today." The results are that the company is poised for further growth with the added benefits of minimal exposure to yield shift and the availability of surplus cash. Future developments for the company include:

- A planned £40m development of Glenrothes Town Centre.
- A planned £100m development at SECC Glasgow
- Construction work on a £30m development at Falkirk Gateway this year.
- Completion of the £25m development of Stenhousemuir Town Centre.
- Ongoing Masterplanning of 800 acres of Strategic Land development at Inverness, St Andrews, East Fife, and Braidbar, Glasgow.
- A new £7m Medical Centre in Stenhousemuir.

Dan Macdonald has also started plans to open an office in Dublin, furthering a long standing commitment to business within the Republic of Ireland. Plans are about to be submitted for a €40 million retail park at Portlaoise, an hour's drive South West of Dublin. Further highlights for the business in 2008 include: Appointment of Joe Noble as Strategic Development & Infrastructure Director. Appointment of Alastair Ness as Business Development Manager to secure new retail projects from 2010 onwards. Improved focus on sustainability with Dan Macdonald leading new investment in leading edge technology and design to address energy, waste and carbon free issues. Expansion of the Edinburgh office premises to take over the ground floor of the building which has previously been leased to tenants. Dan Macdonald also commented on the prospects for the Scottish economy saying: "I am in no doubt that we will see recessionary times and that we have to hear more account of bank write-off, a further slide in capital values, greater inflation, raised debt, high bank charges, fire sales and a restrictive residential market. The Scottish market will be affected to a great extent and we should not delude ourselves in this respect. "However, we have to respond positively to change, plan and seek the magic of that change which brings forward opportunity and insist on action and the change of culture that is required to create new investment, wealth and a positive thinking business environment." Macdonald Estates started 11 years ago and employs 20 people from its headquarters in Edinburgh's George Street. For further information, please contact:

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