

Taliesin Property Fund Limited

Strategy update

Taliesin Property Fund Limited ("Taliesin" or "the Fund"), the AIM quoted fund focused on the Berlin residential property market, is pleased to provide a strategic update ahead of the release of the results for the year ended 31 December 2009

In November 2009 the Fund announced the first sale of a property by the Fund since its Admission to AIM in August 2007. At this time it was stated that the Fund was seeing an increasing interest in a number of its properties. This remains the case, but despite an improved operating performance in 2009, coupled with the creation of a high quality portfolio, shares in the Fund have continued to trade at a significant discount to net asset value and afford limited liquidity.

Although the Board of the Fund would prefer to see the size of Taliesin's portfolio increase to take advantage of the strong operational structure created by the investment adviser and improve liquidity in the stock, the current share price makes it difficult to raise further equity funds without significant dilution to existing shareholders.

Consequently, the Board has decided to use a combination of higher leverage, improved cash-flow, through rent increases and fee reductions, and asset sales to return value to shareholders. Initially, this will continue to be by means of share buy-backs, but it is envisaged that dividends will be paid in the future when retained earnings are available for distribution.

The Company intends to release its results for the year ended 31 December 2009 in late April. At this time it is the Board's intention to convene a general meeting of the Company to seek shareholder approval to significantly increase the size of the Company's buyback authorities.

For further information, please contact:

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