www.rutleycapitalpartners.com
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Rutley European Property Limited

Update – February 2009

Investment Objective

To generate a geared net IRR of not less than 12% on the issue price of the Company's share capital from capital growth and income derived from a portfolio of principally central and eastern European commercial real estate assets spread across, inter alia, the office, industrial and retail sectors and to increase the dividend each year.

Company Description

Rutley European Property Limited was incorporated on 17 November 2005 as a closed-ended, Guernsey registered investment company, with an Independent Board of Directors.

The shares of Rutley European Property Limited are listed on the Official List of the London Stock Exchange.

Fund Manager

Rutley Capital Partners LLP

Rutley Capital Partners is a specialist manager of international real estate offering investment management services to institutions and private investors. Established in 2005, Rutley Capital Partners is the real estate private equity business of Knight Frank, the international property consultancy.

Key Facts

Fund Manager	Rutley Capital Partners LLP
Launch Date	27 February 2006
Management Fee	2% of adjusted capital*
Red. Pref. Share Price (RTY)	3.53p
	(as at 28.02.2009)
NAV per Red. Pref. Share	46.4p**
NAV adjusted for Deferred Tax	46.8p**
	(as at 31.12.2008)

* 10% of fee has been waived for current year

** unaudited

Portfolio Activity
1 February to 28 February 2009

Active asset management

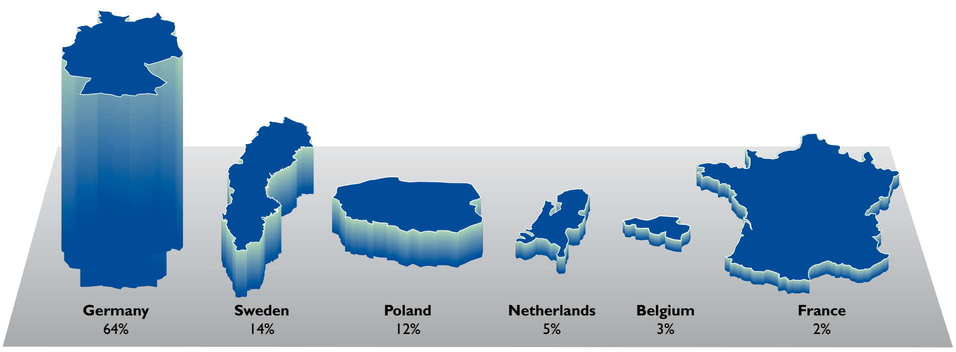
Karolinen, Karlstad, Sweden

A new lease has been completed with Forsakringskassen, a government tenant. The rent has increased by SEK 2.68 million p.a., a 30% increase and relates to 1,645 sqm.

Buma Square, Krakow, Poland

Six new leases have been agreed for over 900 sqm of space generating approximately €150,000 of rental income p.a. The new tenants include Eniro Polska and Netia.

Country Weighting



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Rutley Capital Partners LLP is authorised and regulated by the Financial Services Authority

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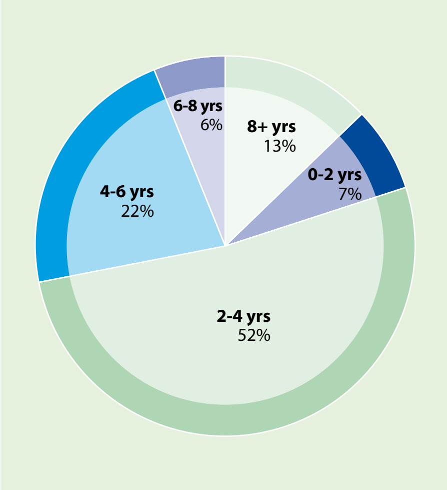
Ten Largest Properties
(by % of Gross Asset Value 31 December 2008)

Country		Location	City/town	% of total assets
1	Poland	Buma Square	Krakow	8.81
2	Germany	Mosse Zentrum II	Berlin	8.13
3	Sweden	Karolinen 2	Karlstad	7.51
4	Germany	Mosse Zentrum I	Berlin	4.45
5	Germany	Arnulfstrasse	Munich	3.90
6	Germany	Schildgasse 28-30	Rheinfelden	3.40
7	Germany	50 Kinkeler Strasse	Neunkrichen/Saar	3.06
8	Germany	5 Schwabenheimer	Kreuznach	2.94
9	Belgium	Equinox Building	Wemmel	2.61
10	Germany	Frankencampus	Nuremberg	2.41

Lease Expiry/Break Profile



Market Commentary & Investment Outlook

Europe

- The IMF's March 2009 projections forecast that Eurozone GDP will decline by 3.2% this year, down significantly from their January forecast of a 2.0% decline. The new forecast reflects the impact of a sharp collapse in external demand, housing market corrections and the intensification of financing constraints.

- The European Central Bank cut its key interest rate to a record low of 1.5% in March and has indicated that it still sees room for further cuts, while the use of non-standard measures such as 'quantitative easing' is also possible in the coming months.

Germany

- The German economy's reliance on exports has left it increasingly exposed to the effects of the global slowdown, as orders have slumped. A range of negative GDP forecasts were published in March, with the RWI and IMK research institutes predicting falls of 4.3% and 5.0% respectively, while Commerzbank has said it expects a contraction of 6-7%.

France

- Office leasing in Paris has slowed, particularly since Q4 2008, with current activity largely shaped by companies rationalising their occupation of space and cutting property costs. The vacancy rate has been edging upwards, standing at 5.5% at the end of 2008 and likely to increase to 6.5-7.0% by the close of 2009. However, there is little risk of oversupply, and the availability of quality central accommodation remains scarce.

Belgium

- The Antwerp-Brussels axis remains a key hub for distribution property, though development activity has slowed in the light of current economic conditions, and a number of small and medium-sized enterprises have shelved plans to develop their own premises. Prime rents have remained fairly stable in the Brussels market, currently standing at €65 per sq m p.a. for semi-industrial space, and €48 per sq m p.a. for logistics property.

Poland

- Approximately €1.68 billion was invested in Polish commercial property during 2008, over 30% less than the previous year. While transaction volumes are down, there are signs of increasing interest from opportunistic investors, who have been looking to purchase properties at lower prices than were previously available, or to buy from developers seeking to raise capital.

Netherlands

- According to recently-released results from the ROZ/IPD Netherlands Annual Property Index, Dutch commercial property recorded a total return of 3.3% in 2008, compared to 11.3% the previous year. The result is among the strongest annual returns to be reported so far by IPD in Europe for 2008.

Sweden

- The Economic Tendency Indicator, which measures business and consumer confidence in Sweden, showed little movement between January and February, though at 72.0 it stands well below historically normal levels. While consumer confidence rose for the fourth consecutive month, the overall indicator was dragged down by weakening confidence in the construction industry and the private sector.