

Hansteen Holdings PLC
(“Hansteen” or, the “Company”, the “Group”)

INTERIM MANAGEMENT STATEMENT

Hansteen Holdings PLC (LSE: HSTN), the UK and European property investment company announces its Interim Management Statement for the period from 30 June to 17 November 2009.

Highlights of the period.

- £200 million new equity raised
- Acquisition, for shares, of 18.5% stake in Warner Estate Holdings
- Launch of £90 million UK Industrial Property Unit Trust
- Move to Official List
- Conversion to REIT Status
- Extension of bank facility to October 2014

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Overview

The period since 30 June 2009 has been particularly active in positioning the Group for future growth. Hansteen has raised equity, launched a new fund, moved from AIM to the Official List, converted to REIT status and renegotiated its banking facilities. It is now very well positioned to take advantage of the considerable opportunities which will arise in both the UK and Europe as a result of the economic downturn. The Group is experiencing higher vacancies in its portfolio and expects this trend to continue for the rest of the year, reflecting the continuing difficult trading conditions for its customers in Continental Europe.

Fundraising

On 9 July 2009, Hansteen raised an additional £194.6 million (net of expenses) through the issue of new shares at a narrow discount to the prevailing share price and to the Net Asset Value. With

prudent gearing this gives the Company an additional £390 million of financial firepower. The effect of the fundraising has been to reduce the current Net Debt to Value level to below 10 %.

Fund Launch

In early August, the Company announced the launch of the Hansteen UK Industrial Property Unit Trust with a total of £90 million of equity; £30 million provided by Hansteen and the balance by five institutional investors. Prudently geared to a maximum 50%, the Fund will have funds of circa £180 million for opportunistic acquisitions of individual estates and small portfolios. The Jersey Property Unit Trust is being asset managed by Hansteen.

Official List/REIT Status

On 6 October 2009, Hansteen moved from AIM to the Official List as a more appropriate platform for continued growth.

The move has also enabled the Company to convert to a REIT, with the benefits of not paying Corporation tax on its future UK investments as well as saving UK tax paid on European investments.

Warner Estates stake

On 17 August, the Company announced the acquisition of a strategic stake of approximately 18.5 per cent in the capital of Warner Estate Holding, the company which acquired Ashtenne Holdings, the previous company founded and managed by the executive directors of Hansteen. Payment for the stake was in Hansteen shares to the value, at the time, of £2.8 million.

Bank facilities

This month, the Group has signed terms for the extension of its revolving bank facility with the Bank of Scotland, which finances its property portfolios in Germany and France.

The terms are for a revolving loan facility of €150 million for five years to October 2014. The Loan To Value covenant on the facility has been increased from 70 per cent to 75 per cent and the income cover covenant remains at 1.75:1. The margin for the loan is 175 basis points over EURIBOR and 100 basis points on undrawn facilities.

The current draw down is €23 million representing an LTV of under 10% and an interest cover ratio of 10:1.

The Group's two main banking facilities now extend to 2013 and 2014 providing it with a stable funding base for the coming years.

The Market

At 30 September 2009 the annualized rent roll for the Hansteen portfolio was €41.9 million. The occupancy market in both Continental Europe and the UK has become more challenging. Due

Diligence we have undertaken on various portfolios in the UK would indicate that there is widespread occupational distress in the regions of the UK and due to the combination of industrial rental growth over the last few years and the substantial cost to a landlord of holding properties vacant in the UK, we expect industrial rents to fall.

The investment market for industrial properties in Germany, Holland, France and Belgium is showing some increased activity but is not yet reflecting the yield compression apparent in the UK market. We continue to believe that given the enormous yield gap between industrial property in Continental Europe and the cost of money, there is no basis, on fundamentals, for yields to continue to drift out.

The investment market for industrial property in the UK since the summer has been peculiar, with very few vendors and a number of potential buyers creating something of a seller's market. However, the structural issues in the sector relating to value decline, occupational weakness and over indebtedness have not changed. In the Company's view this means that real opportunities will emerge in due course. In the meantime, whilst actively pursuing all opportunities where it can see potential value, Hansteen will continue to assess those opportunities in a disciplined and detailed way based on our view of the fundamentals. This may mean that the pace of deploying the proceeds of the Rights Issue is slower than anticipated, but the Company is certain that this is the right approach to build long term value.

Prospects

The Company remains confident in industrial property as a first class investment medium, in its ability to maximize occupancy levels through active management and the excellent opportunities that will in time become available.