

HANSTEEN

INTERIM RESULTS
for the six months to 30 June 2007

HANSTEEN HOLDINGS PLC

September 2007

THE BEGINNING

- 29 November 2005 Hansteen admitted to AIM
- On shore internally managed property company
- Substantial personal investments and a long term incentive scheme align founding directors with shareholders
- Strong track record and intention to apply the “Ashtenne” approach to property in Continental Europe

THE BUSINESS MODEL

Hansteen aims to exploit:

- Positive yield gap and gearing
 - rental income yields in Europe are significantly above Euro borrowing costs
- Asset management activities
 - vacant units at discount prices
 - hands on approach to marketing
- Portfolio assembly
 - demand for European industrial investment property forecast to increase, resulting in price rises
 - premium prices paid for large ready-assembled portfolios
- Corporate outsourcing
 - substantial owner occupation in Continental Europe
 - opportunities for sale and leaseback

FINANCIAL HIGHLIGHTS

- Pre-tax profit for the period £13.6 million (HY '06: £2.8 million)
- Property assets of £229 million at 30 June 2007 (FY '06: £145 million)
- Net Asset Value 123 pence per share on an EPRA basis as at 30 June 2007 (FY '06: 114 pence)
- Property valuation uplift £9.2 million
- Annualised net rental income at 30 June 2007 of £17.1 million

PROFIT & LOSS ACCOUNT AND BALANCE SHEET

for period ending 30 June 2007

£m	TOTAL
Turnover	6.6
Cost	<u>(0.6)</u>
	6.0
Admin	<u>(1.8)</u>
Interest	<u>(0.2)</u>
	4.0
Revaluation	9.2
Financial Derivatives/Exchange	<u>0.4</u>
Pre-tax Profit	13.6

	£m
Properties	229
DRS/CRS	(9)
Net Debt	<u>(8)</u>
IFRS NAV	212
Adjustment	1
CGT on Reval	<u>7</u>
Diluted EPRA NAV*	220
123 pence per share	

*No accrual for Directors incentive plan

OPERATIONAL HIGHLIGHTS IN 2007

- Over 50 properties acquired in 23 transactions totalling £175 million
- Portfolio value now approximately £311 million and rent income of £23.4 million p.a.
- Business plan on schedule
- Pipeline of properties in negotiation circa £50 million
- Creation of a team, contact network and deal flow throughout Europe

PROPERTIES

Houten, Holland



Winterswijk, Holland



PROPERTIES

Louvain la Neuve, Belgium

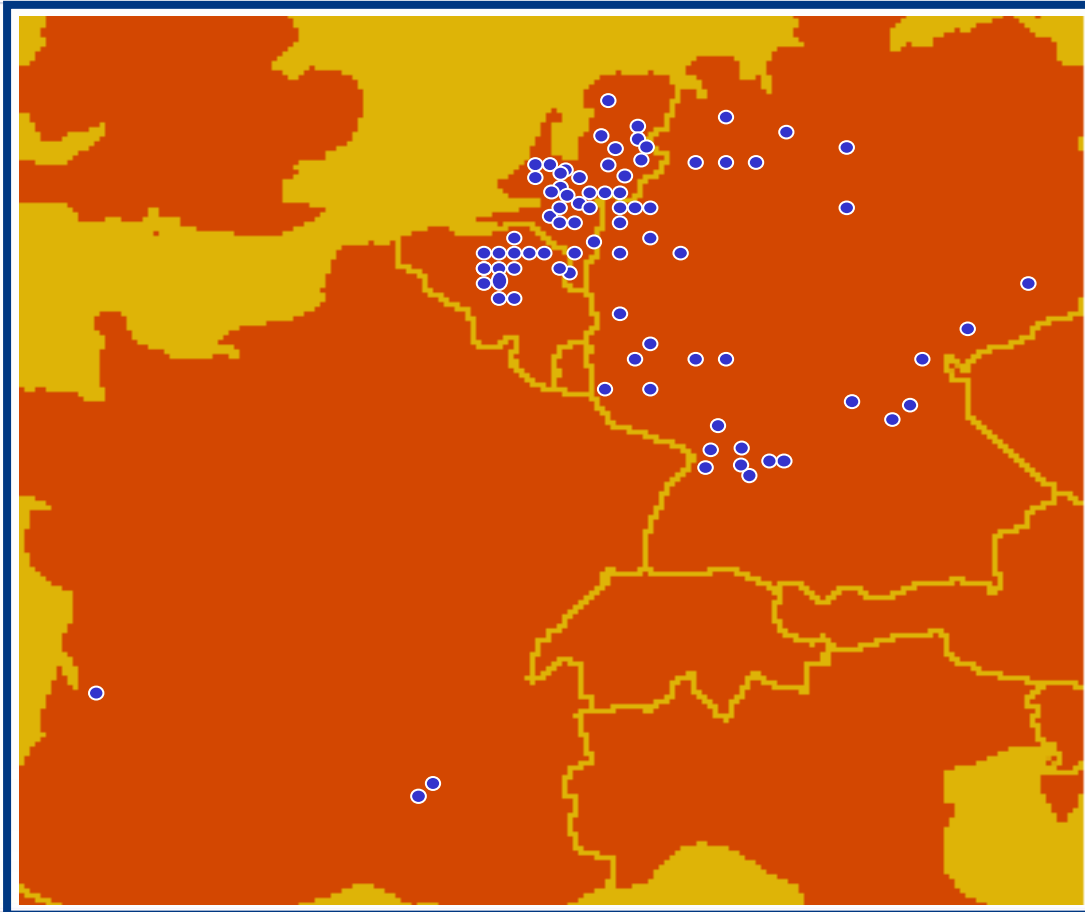


Neckarsulm, Germany



PROPERTY LOCATIONS

September 2007



PORTFOLIO BREAKDOWN

As at 30 June 2007

	Sqm	Rent		Valuation 30 June	
		Euros €m	Sterling £m	Euros €m	Sterling £m
Holland	269,690	11.6	7.8	149	100
Germany	212,123	10.7	7.2	137	93
France	61,492	1.6	1.1	22	15
Other Assets	28,032	1.4	1.0	31	21
Total	571,305	25.3	17.1	339	229

As at September 2007

	Sqm	Rent		Valuation 30 June	
		Euros €m	Sterling £m	Euros €m	Sterling £m
Holland	299,829	14.2	9.5	185.5	125
Germany	277,669	13.5	9.0	169.5	114
France	61,492	1.6	1.1	22	15
Belgium	53,521	4.0	2.7	54	36
Other Assets	28,032	1.4	1.0	31	21
Total	722,543	34.7	23.3	462	311

KEY MARKET FACTORS

- Secondary property fundamentals in Continental Europe still sound
 - high yields materially above interest rates
 - low capital values well below replacement cost
 - low rents well below those required for new build
 - occupational market improving
- Continued logic for portfolio premium
 - diversified income sources
 - portfolios rare and difficult to assemble

OUTLOOK

- Growing reputation as a professional and reliable investor
 - more sale and leaseback opportunities
 - more active management opportunities
 - growing contacts with brokers, corporates and property managers
- Strong balance sheet with substantial gearing capacity
 - borrowings drawn to date €150 million
 - borrowing capacity at 60% loan to value €470 million
 - additional capacity €320 million

SUMMARY

- Business plan progressing well in continental Europe
- Company well placed to benefit from any volatility in property markets such as UK