

# HANSTEEN

**PRELIMINARY RESULTS**  
**27 October 2005 – 31 December 2006**

**HANSTEEN HOLDINGS PLC**

*March 2007*

## THE BEGINNING

- 29 November 2005 Hansteen admitted to AIM
- Start up company
- £123.6 million (net) raised
- On shore internally managed property company
- Founding directors aligned with shareholders
- Substantial personal investments and a long term incentive scheme
- Strong track record and intention to apply the “Ashtenne” approach to property in Continental Europe

## THE RATIONALE

- Increased popularity of industrial property in the UK over several years has led to greater demand, lower yields and higher prices
- The directors believe that this process is likely to be repeated in continental Europe
- As sector specialists, the directors are well placed to take advantage of this value improvement

# 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

## OPERATIONAL HIGHLIGHTS

Selective acquisition of property in Continental Europe at higher yields relative to the borrowing costs

- £175 million of properties acquired to date at an average yield of over 8% on cost
- Business plan on schedule
- Pipeline of properties in legal negotiation circa £50 million. More being pursued
- Creation of a team, contact network and deal flow throughout Europe

# FINANCIAL HIGHLIGHTS

- Pre-tax profit for the first period £22.1 million
- Property assets of £145 million at 31 December 2006
- Net Asset Value 114 pence per share \*  
at 31 December 2006
- Property valuation uplift £14.8million
- Maiden dividend of 3.0 pence per share
- Placing in 2007 of 53,435,115 shares at 131 pence per share to  
raise approx £70 million

\* EPRA Basis

# PROPERTIES

HANSTEEN

Neonweg, Amersfoort



Argonweg, Amersfoort



# PROPERTIES

Lyon

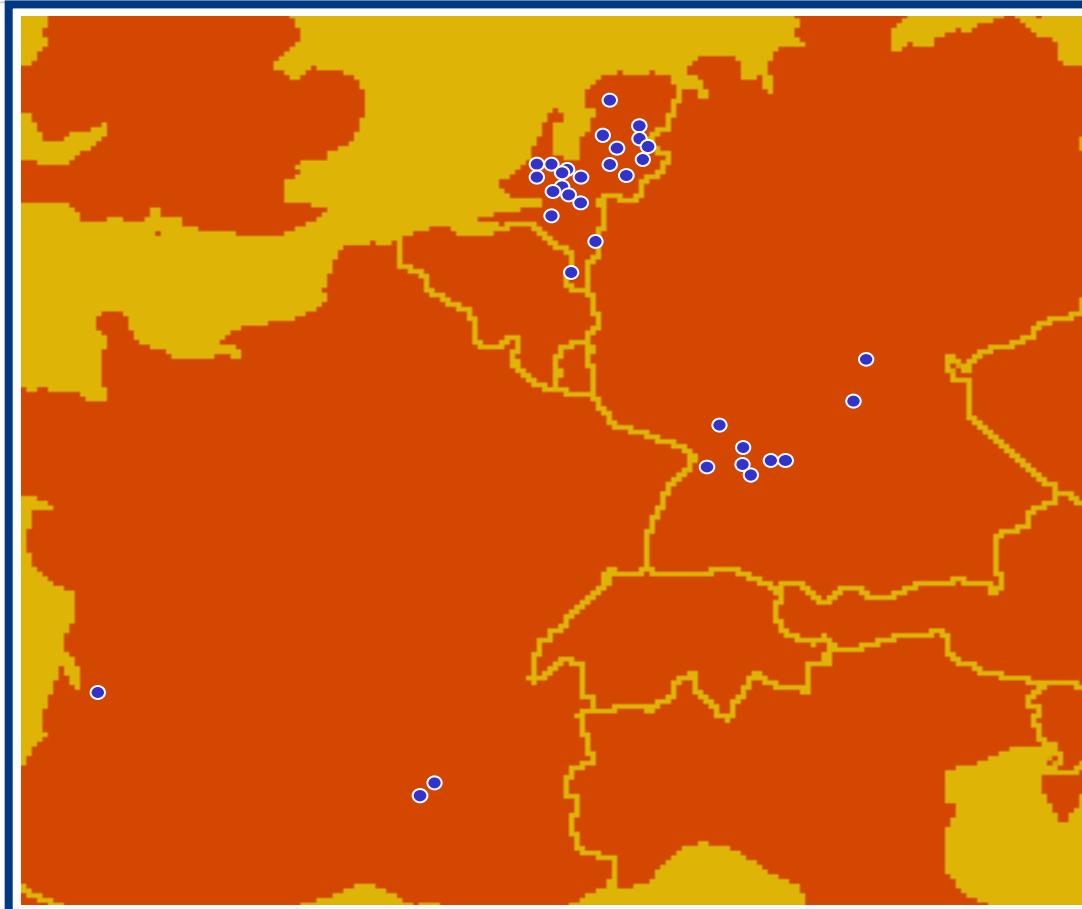


Ötigheim



# PROPERTY LOCATIONS

as at 31 December 2006



# PORTFOLIO BREAKDOWN

as at 31 December 2006

	No of Properties	Sqm	Rent		Valuation	
			Euros €m	Sterling £m	Euros €m	Sterling £m
Holland	21	210,147	8.4	5.7	106	71.4
Germany	8	66,905	4.5	3.0	57.2	38.5
France	3	61,492	1.6	1.1	21.6	14.6
Other Assets	2	27,000	1.3	0.9	31.2	21.1
<b>Total</b>	<b>34</b>	<b>365,544</b>	<b>15.8</b>	<b>10.7</b>	<b>216</b>	<b>145.6</b>

## Post Year End Acquisitions

	Cost €	Rent €
Rodgau and Mulheim	7,490,000	656,595
Hardenberg	4,230,000	350,000
Neckarsulm	16,000,000	1,268,960
Houten	17,350,000	1,146,075

# PROFIT & LOSS ACCOUNT

for period ending 31 December 2006

<b>£m</b>	<b>RENT</b>	<b>SALES</b>	<b>TOTAL</b>
Turnover	7.7	8.3	16.0
Cost	<u>(0.8)</u>	<u>(7.6)</u>	<u>(8.4)</u>
	6.9	0.7	7.6
Admin			(2.8)
Interest			<u>1.2</u>
			6.0
Revaluation			14.8
Financial Derivatives			<u>1.3</u>
Pre-tax Profit			22.2

# BALANCE SHEET

as at 31 December 2006

**£m**

<b>Properties</b>	<b>145</b>
<b>DRS / CRS</b>	<b>(6)</b>
<b>Net Debt</b>	<b>(1)</b>
	<hr/>
<b>IFRS NAV</b>	<b>138</b>
<b>Adjustment</b>	<b>1</b>
<b>CGT on Reval</b>	<b>4</b>
	<hr/>
<b>Diluted EPRA NAV</b>	<b>143</b>
	<b>114 pence per share</b>

## CORE MARKET OPPORTUNITIES

- Increased and increasing institutional interest in Continental European property is driving values
- Significant premium for portfolio size
- Financial credibility and ability to move fast is key
- Premium attached to large portfolios makes incremental selling unattractive → need for further capital

## ADDITIONAL OPPORTUNITIES

- Vacant properties
- Large scale sale and leasebacks
- Selective prime commercial properties
- Distressed properties in Germany
- Opportunistic buys

## SUMMARY

- Successful admission to AIM
- Creation and extension of effective team, contacts and deal flow
- £175 million invested to date across Germany, France, Netherlands and UK
- Introduction of dividend
- Strong pipeline of properties in exclusive negotiations
- Successful secondary Placing £70 million