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20 March 2017

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

Proposed disposal of the German and Dutch portfolio for €1.28 billion

The Board of Hansteen announces that it has agreed to dispose of its German and Dutch portfolios for €1.28 billion to entities owned by funds advised by affiliates of The Blackstone Group L.P. and M7 Real Estate (the "**Buyer**").

Highlights of the Transaction are:

- The portfolios are being sold on a debt free basis for cash, and the value given to the German and Dutch portfolio is €1.28 billion payable upon Completion (less a deposit of €50 million which has been paid), subject to a net asset value adjustment post-Completion. All latent capital gains tax liabilities incurred in relation to the Transaction will be shared on an equal basis between the Company and the Buyer.
- The price represents a premium of approximately €76 million (6 per cent.) to the Year End Valuation which itself included a valuation uplift of €34 million over the 31 December 2015 valuation.
- The disposal realises the value in the portfolios at a time when not only are they at historically high levels of occupancy and rent for the period of Hansteen's ownership but also the Euro/Sterling exchange rate is favourable.
- Completion is expected to occur before the end of June 2017. Conditions to Completion include Hansteen's Shareholder approval and the Buyer obtaining anti-trust clearance in Germany.

Following Completion and repayment of the debt secured against the German and Dutch portfolios (and satisfaction of other incurred costs) Hansteen intends to distribute a substantial portion of the net cash proceeds of the Transaction to its Shareholders.

Commenting on the Transaction, Morgan Jones and Ian Watson, joint chief executives of Hansteen, said: “This is a compelling opportunity to crystallise both the revaluation gains from these German and Dutch assets achieved by our active asset management and the gains from foreign exchange movements. The value being realised is around 30 per cent. higher than the book value at 31 December 2015 when measured in Sterling.

The sale is in line with our long-term business and portfolio strategy of buying at a low point in the cycle, with low occupancy and rents, adding value through improved asset management and subsequently realising the investment at a higher point in the cycle”.

Hansteen was advised by JLL on the Transaction.

Presentation for Analysts

A presentation to analysts (with dial in facilities and webex) will take place today at 09:30 at Peel Hunt, Moor House, 120 London Wall, London EC2Y 5ET.

Dial in details are as follows:

UK Toll Number: 020 3139 4830
Toll-Free Number: 0808 237 0030
Participant PIN Code: 13038769#

Webex details are as follows:

Audience URL: <https://arkadin-event.webex.com/arkadin-event/onstage/g.php?MTID=e1821b45abc8a0e91948b56c9e6833ba7>

Audience Password: 684733

If you need any further details, please email Jeremy Carey at jeremy.carey@tavistock.co.uk or Kirsty Allan at kirsty.allan@tavistock.co.uk

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Important notices

This announcement contains inside information.

This announcement does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe, for, underwrite or otherwise acquire, any securities of the Company or any member of its group in any jurisdiction or an inducement to enter into investment activity.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been prepared for the purposes of complying with the Listing Rules and the information disclosed may not be the same as that which would have been

disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of England and Wales.

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "projects", "assumes", "expects", "intends", "may", "will", "would" or "should", or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

They appear in a number of places throughout this announcement and include statements regarding the directors', the Company's and the Group's intentions, beliefs or current expectations concerning, among other things, the Group's result of operations, financial condition, prospects, growth strategies and the industries in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, market position of the Group, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement.

Forward-looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. However, these forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved.

Neither the Company nor any member of the Group undertakes any obligation to update publicly or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws and regulations, the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules, the EU Market Abuse Regulation and the City Code on Takeovers and Mergers.

Rounding

Certain figures in this announcement have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

Other

No statement in this announcement is intended as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the earnings per share of the Group for the current or future financial periods will necessarily match or exceed the historical or published earnings per share of the Group.

Peel Hunt LLP is authorised and regulated by the Financial Conduct Authority, is acting as financial adviser and sponsor to Hansteen and no-one else in connection with the Transaction and the contents of this announcement and will not be responsible to anyone other than Hansteen for providing the protections afforded to clients of Peel Hunt LLP, or for providing advice in relation to any of the Transaction, the contents of this announcement or any matters referred to herein.

All terms are defined in the Appendix to this announcement.

1 Introduction

The Board of Hansteen announces that it has agreed to dispose of its German and Dutch portfolios for €1.28 billion to entities owned by funds advised by affiliates of The Blackstone Group L.P. (the "**Buyer**")

Highlights of the Transaction are:

- The portfolios are being sold on a debt free basis for cash, and the value given to the German and Dutch portfolio is €1.28 billion payable upon Completion (less a deposit of €50 million which has been paid) subject to a net asset value adjustment post-Completion, including a deduction of €25 million which will be retained by the Buyer to satisfy 50 per cent. of the latent capital gains tax liabilities incurred in relation to the Transaction.
- The price represents a premium of approximately €76 million (6 per cent.) to the Year End Valuation which itself included a valuation uplift of €34 million over the 31 December 2015 valuation.
- The disposal realises the value in the portfolios at a time when not only are they at historically high levels of occupancy and rent for the period of Hansteen's ownership but also the Euro/Sterling exchange rate is favourable.
- Completion is expected to occur before the end of June 2017. Conditions to Completion include Hansteen's Shareholder approval and the Buyer obtaining anti-trust clearance in Germany.
- Following Completion and repayment of the debt secured against the German and Dutch Portfolio (and satisfaction of other incurred costs) Hansteen intends to distribute a substantial portion of the net proceeds of the Transaction to its Shareholders (as more fully described in paragraph 8 below).

The Transaction constitutes a Class I transaction under the Listing Rules and Completion is therefore conditional on Shareholder approval. Accordingly, a Circular will soon be sent to Shareholders to convene the General Meeting at which Shareholders will be asked to approve the Transaction.

2 Background to, and reasons for, the Transaction

During 2016 the Company recorded substantial growth on a like-for-like basis in rent, value and occupancy for its properties located in Germany and the Netherlands. The Directors believe that value had been created in the German and Dutch Portfolio over a sustained period, both from active asset management through Hansteen's platform as well as external macro-economic factors such as the strengthening Euro. As a result, Hansteen began to explore the possibility of crystallising these value gains through a sale process. A number of parties showed interest and the Buyer emerged as the leading bidder. Following a period of negotiation and due diligence, Hansteen and the Buyer entered into the Sale and Purchase Agreement on 18 March 2017.

The Board believes that the Transaction is highly attractive and well timed for the following reasons:

- The German and Dutch Portfolio is at historically high levels of both occupancy and rent for the period of Hansteen's ownership.
- There is currently a high level of interest in industrial property investments.
- The Transaction is expected to be NAV enhancing under IFRS and to show a small enhancement to NAV under EPRA.

- The Directors believe that the Transaction provides a compelling opportunity to crystallise the gains from foreign exchange movements and revaluations of Hansteen's German and Dutch assets, which are valued at approximately 30 per cent. higher than the book value as at 31 December 2015 when measured in Sterling.

In summary, the Transaction is in line with the Company's long term business and portfolio strategy of buying at a low point in the cycle, with low occupancy and rents, adding value through improved asset management and subsequently realising the investment at a higher point in the cycle.

The Board unanimously believes that the Transaction is in the best interests of Shareholders, because of the factors set out above.

3 Summary of the principal terms of the Transaction

Pursuant to the Sale and Purchase Agreement, the Buyer has agreed to acquire all of the Subsidiaries which own property in Germany as well as the property assets of Hansteen's holdings in the Netherlands for a purchase price which values the properties at €1.277 billion.

The key terms to the Transaction are:

- The Buyer will acquire the Subsidiaries which own property in Germany. The property value allocated to the Subsidiaries is €974.3 million.
- The Buyer will acquire the properties owned by Hansteen in the Netherlands for €302.4 million.
- The German and Dutch Portfolio is to be acquired on a debt free basis and the consideration will be satisfied in cash.
- The acquisition of the German and Dutch Portfolio will be subject to a net asset value adjustment post-Completion in relation to the Target Companies, a price adjustment if any of the Dutch Assets cannot be transferred to the Buyer, and a typical pro rata sharing of service charge payment and rental arrears settlement process in relation to the Dutch Assets.
- All latent capital gains tax liabilities at Completion of the sale of the German portfolio will be shared on an equal basis between Hansteen and the Buyer.
- M7 Real Estate, a pan European investment and asset manager, specialising in multi-let real estate, will undertake the future management of the portfolio, and, in addition to being a co-investor in the Transaction, has also agreed to acquire Hansteen's German and Dutch asset management teams through the employment of all 36 of Hansteen's employees based in Germany and the Netherlands.

Completion is expected to occur before the end of June 2017 and is conditional upon:

- the approval of Shareholders at the General Meeting by way of an ordinary resolution; and
- the Buyer obtaining the approval of the Transaction by the German Federal Cartel Office.

If any third party consent rights in relation to the Dutch Assets prevent the transfer of any of the Dutch Assets at Completion, such assets will not be sold to the Buyer and the purchase price payable at Completion will be adjusted accordingly. There is a mechanic for such assets to be transferred only once the consent has been obtained. If such consent is not obtained by 19 May 2017, the relevant Dutch Assets will remain with Hansteen, unless otherwise agreed by the Buyer and Hansteen.

4 Summary of the German and Dutch Portfolio

Hansteen's well established platform of European offices has applied active asset management techniques throughout the period of assembling the German and Dutch Portfolio since the first

Hansteen

acquisitions in 2005. The result is that the current level of occupancy and valuation are at historic highs for the period of Hansteen's ownership.

The table below shows how the occupancy, passing rent, valuation and yields have evolved over the last five years. The information below is derived from unaudited management information used in the preparation of the audited accounts for the years ended 2012 to 2016 respectively and reflects the German and Dutch assets held by Hansteen as at the date to which the relevant accounts were prepared.

Year	Occupancy	Passing rent (€m per annum)	Book Value (€m)	Yield
2012	83.8%	71.6	813.7	8.8%
2013	84.8%	72.4	824.0	8.8%
2014	86.2%	93.6	1,049.0	8.9%
2015	87.4%	92.7	1,159.0	8.0%
2016	90.3%	92.1	1,195.8	7.7%

The summary analysis of Hansteen's German and Dutch Portfolio, as derived from unaudited management information used in the preparation of the audited accounts for the year ended 31 December 2016 is set out below, with an adjustment to reflect the assets acquired and disposed of since 31 December 2016:

Country	Number of properties	Built area Sq m	Vacant area	Passing rent		Book Value		Yield
				€m	£m	€m	£m	
Germany	100	1,560,398	8.9%	65.4	56.1	887.5	761.7	7.4%
Netherlands ²	71	687,447	11.4%	26.7	22.9	308.4	264.7	8.7%
Total as at 31 December 2016	171	2,247,845	9.7%	92.1	79.0	1,195.9	1,026.4	7.7%
Acquisition since 31 December 2016 ¹	11	63,629	47.1%	1.2	1.1	15.0	12.9	8.2%
Disposal since 31 December 2016	(1)	(16,949)	-	(0.6)	(0.6)	(8.6)	(7.4)	6.7%
German and Dutch Portfolio²	181	2,294,525	10.8%	92.7	79.5	1,202.3	1,031.9	7.7%

¹ The acquisition of these properties is being undertaken pursuant to a sale and purchase agreement entered into by the Target Companies on 16 December 2016. This acquisition has not yet been completed, and completion is currently expected to take place by 30 April 2017. Whilst the acquisition has not yet completed, as the relevant acquirer is a Target Company, these properties will form part of the Transaction.

² The tenant in the Klokkenbergweg property in the Dutch portfolio has exercised its pre-emption right so this property has been excluded from the Transaction.

5 Summary of Blackstone and M7 Real Estate

The Blackstone Group L.P. is the largest private equity real estate firm in the world today with \$102 billion of assets under management. It operates around the globe with investments and people in North America, Europe, Asia and Latin America.

The Blackstone Group L.P.'s real estate portfolio includes office, retail, hotel, industrial and residential properties. Major holdings include Hilton Worldwide, Invitation Homes (single family homes), Logicor (pan-European logistics), SCPG (Chinese shopping malls), and prime office buildings in the world's major cities. Blackstone real estate also operates one of the leading real estate finance platforms.

M7 Real Estate Ltd is a pan-European investor and asset manager specialised in multi-let real estate, with a team of over 130 staff operating a platform in the UK, Czech Republic, Croatia, Denmark, France, Germany, Hungary, Luxembourg, the Netherlands, Portugal, Poland, Slovakia and Finland. Established in 2009 and wholly owned by its senior managers, M7 already manages a portfolio of c.600 assets comprising 45 million sq ft with a capital value in excess of €2.5 billion. Its joint venture partners include H.I.G. Capital, Oaktree Capital Management, Starwood Capital, Goldman Sachs International and M&G Investments. Additional information about M7 can be found at www.m7re.eu

The Buyer has confirmed to Hansteen that it is able to fund the Transaction in full from equity which is entirely discretionary and no third-party approvals are required, other than the antitrust consent of the German Federal Cartel Office.

6 Summary of the Retained Group

The Retained Group's property portfolio will be significantly smaller than Hansteen's is today and its portfolio will consist primarily of UK based assets, as well as certain assets in France and Belgium. The breakdown of this portfolio as derived from unaudited management information used in the preparation of the annual report for the year ended 31 December 2016 is as follows:

	No.	Acres	Built Area sqm	Vacant Area	Passing Rent £m	Value £m	Yield
UK	286	16	1,459,702	7.7%	49.4	626.3	7.9%
UK Land		431		0.0%	0.1	50.5	0.2%
UK Total	286	447	1,459,702	7.7%	49.6	676.9	8.1%
Belgium	7	-	30,195	10.3%	1.1	17.0	6.8%
France	2	-	55,930	-	1.7	17.7	9.3%
Asset held for sale	1		16,949	-	0.5	7.4	7.1%

Total	296	447	1,562,776	7.4%	52.9	718.9	7.4%
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7 Financial effects of the Transaction on the Group

As detailed above, the consideration for the Transaction is €1.277 billion (in aggregate).

The net cash received by Hansteen in connection with the Transaction is currently expected to be approximately €1.252 billion (subject to certain purchase price adjustments in accordance with the Sale and Purchase Agreement) after the deduction of €25 million which will be retained by the Buyer to satisfy 50 per cent. of the latent capital gains tax liabilities incurred in relation to the Transaction. Immediately upon Completion, approximately €468 million is expected to be used to repay debt secured against the German and Dutch Portfolio and approximately €32 million is expected to be used to meet expenses and other tax liabilities associated with the Transaction. Following these deductions and repayments, the net cash increase is expected to be approximately €750 million.

The price being paid represents a premium of approximately €76 million (6 per cent.) to the Year End Valuation and therefore the Transaction is expected to be NAV enhancing under IFRS and to also show a small enhancement to NAV under EPRA.

Hansteen believes that, as at 31 December 2016, the effect of the Transaction would have been to reduce the Group's:

- gross property assets by 59 per cent. from £1.74 billion to £719 million; and
- borrowings by 49 per cent. from £814 million to £413 million.

In addition, the Transaction is also expected to reduce the Group's overheads, through the transfer of 36 employees and all of its non-UK regional offices to members of the M7 Real Estate Limited group.

8 Use of proceeds

Following Completion and repayment of the debt secured against the German and Dutch Portfolio (and satisfaction of other incurred costs) Hansteen intends to distribute a substantial portion of the net cash proceeds of the Transaction to its Shareholders. The Board intends to initiate this process as soon as reasonably practicable following Completion. Other uses for the proceeds may include, but are not limited to, funding potential acquisition opportunities, including the acquisition of IMPT, uses in connection with other current debt facilities including the Company's convertible bonds and for general working capital purposes and other contingencies. Further, the Company may in the future buy some of its shares in the market.

Shareholders should note that no final decision has yet been made on the timing, amount or structure of any distribution of net cash proceeds, and there can be no assurance that the Company will be able to implement any such distribution in a tax efficient manner.

9 Proposals to be voted on at the General Meeting

Hansteen is required to hold the General Meeting in order to consider and approve the Transaction. A Circular containing details of the Transaction and including notice of the General Meeting will be sent to Shareholders shortly. At the General Meeting, Shareholders will be asked to consider and, if thought fit, pass the Resolution, which approves the Transaction for the purposes of the Listing Rules. Completion will not take place unless the Resolution is passed. The Circular will include the unanimous recommendation of the Board of Hansteen that Shareholders should vote in favour of the Resolution required to approve the Transaction at the General Meeting.

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise:

"Asset Sellers"	Hansteen Netherlands BV, Hansteen Ormix BV, Hansteen Netherlands (2) BV and Ridderkerk Property BV
"the Buyer"	collectively, (1) Onyx German 2017 Holdco S.à r.l., a <i>société à responsabilité limitée</i> governed by the laws of the Grand-Duchy of Luxembourg; (2) Onyx Investment 2017 Holdco S.à r.l., a <i>société à responsabilité limitée</i> governed by the laws of the Grand-Duchy of Luxembourg, (3) BBREH(O) VIII-ESC Bidco Ltd., an exempt limited company organised and existing under the laws of the Cayman Islands, and (4) Onyx NL Propco B.V., a Besloten Vennootschap organised and existing under the laws of The Netherlands
"Board" or "Directors"	the directors of the Company
"Circular"	the class 1 circular to be sent by the Company to its shareholders in connection with the Transaction
"Company" or "Hansteen"	Hansteen Holdings PLC
"Completion"	completion of the Transaction
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules of the FCA
"Dutch Assets"	the 71 Dutch properties owned by the Asset Sellers
"EPRA"	the European Public Real Estate Association
"FCA"	the Financial Conduct Authority acting in its capacity as competent authority for the purposes of Part VII of FSMA
"FSMA"	Financial Services and Markets Act 2000, as amended
"General Meeting"	the general meeting of the Company to be convened pursuant to the Circular and including any adjournment thereof
"German and Dutch Portfolio"	the properties owned by the Target Companies and the Dutch Assets, including for the avoidance of doubt, the 181 properties which the Buyer has agreed to acquire pursuant to the Sale and Purchase Agreement
"German and Dutch Portfolio Entities"	the Target Companies and Asset Sellers
"Group"	the Company and its subsidiaries and its subsidiary undertakings
"Hansteen Group"	The Company and each of its subsidiaries, prior to Completion

"IFRS"	International Financial Reporting Standards maintained by the International Accounting Standards Board and which are in force from time to time, as adopted by the EU
"IMPT"	Industrial Multi Property Trust PLC
"Listing Rules"	the listing rules made by the UKLA for the purposes of Part VI of FSMA, as amended from time to time
"London Stock Exchange" or "LSE"	London Stock Exchange PLC
"Official List"	Official List of the UKLA
"Ordinary Shares"	ordinary shares of 10 pence each in the Company
"Peel Hunt"	Peel Hunt LLP
"Prospectus Rules"	the prospectus rules made by the FCA under section 73A of FSMA
"Regulatory Information Service"	has the meaning given to it in the Listing Rules
"Resolution"	the ordinary resolution to be considered by the Shareholders at the General Meeting in connection with the Transaction
"Results Announcement"	the results announced by the Company on 20 March 2017
"Retained Group"	the Hansteen Group as constituted immediately following Completion
"Sale and Purchase Agreement"	the sale and purchase agreement dated 18 March 2017 and entered into between Hansteen Holdings PLC and the Buyer
"Share Sellers"	Hansteen Holdings PLC, Hansteen Luxembourg S.à r.l. and Hansteen Luxembourg Investments S.à r.l.
"Shareholder"	a holder of Ordinary Shares
"Subsidiaries"	Hansteen Bad Schönborn S.à r.l., Hansteen Viersen S.à r.l., Hansteen Miraustrasse S.à r.l., Hansteen Braunschweig S.à r.l., Hansteen Philipp-Reis-Strasse S.à r.l., Hansteen Waldstrasse S.à r.l., Hansteen Dormagen S.à r.l., Hansteen Düsseldorf S.à r.l., Hansteen Geldern S.à r.l., Hansteen Gladbeck S.à r.l., Hansteen Hannover S.à r.l., Hansteen Ladbergen S.à r.l., Hansteen Leipzig S.à r.l., Hansteen Neuss S.à r.l., Hansteen Paderborn S.à r.l., Hansteen Pleidelsheim S.à r.l., Hansteen Cologne S.à r.l., Hansteen Regensburg S.à r.l., Hansteen Borsigstrasse S.à r.l., Hansteen Rodenbach S.à r.l., Hansteen Soltau S.à r.l., Hansteen Troisdorf S.à r.l., Hansteen Holzhauser Markt S.à r.l., Hansteen Querumer Forst S.à r.l., Hansteen Neukirchen-Vluyn S.à r.l., Hansteen Germany (7) S.à r.l., Hansteen Bremen S.à r.l., Hansteen Germany (8) S.à r.l. and Hansteen Gottmadingen 2 S.à r.l.
"Target Companies"	Hansteen Germany Limited, Hansteen Germany (2) Limited, Hansteen Germany (3) Limited, Hansteen

Hansteen

Germany (4) S.à.r.l., Hansteen Germany (5) S.à.r.l., HansteenGermany (6) S.à.r.l., Hansteen Germany Holdings S.à.r.l. and the Subsidiaries.

"Transaction"

the transaction to be consummated pursuant to the Transaction Documents.

"Transaction Documents"

the Sale and Purchase Agreement and the other principal agreements being entered into in connection with the Sale and Purchase Agreement.

"UK" or "United Kingdom"

United Kingdom of Great Britain and Northern Ireland, its territories and dependencies

"UK Listing Authority" or "UKLA"

the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA

"Year End Valuation"

means the valuation of Hansteen's German and Dutch assets as at 31 December 2016, as derived from unaudited management information used in the preparation of the audited accounts for the year ended 31 December 2016, as adjusted to reflect the post-31 December 2016 disposals and acquisition referred to in paragraph 4 of this announcement