



otwelve estates

www.otwelveestates.com

6 months to 30th September 2007

Property Adviser





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Financial Review

- Operational gain of £1.1m before unrealised valuation adjustments
- Net assets per share 89p
- CBRE's valuation - £267.57m down 3.3% on March
- Purchase price of properties £264.8m + Capex of £1.2m
- Dividend: 0.5p per share



Salway Place,
Stratford, London, E15

Portfolio Review

- Current value of portfolio - £271.82m following purchase of 38/42 High Street, Brentwood
- Current net initial yield – 4.89%, increasing to 5.33% on completion of lettings and expiry of rent free periods
- Current net reversionary yield – 6.02%
- Current net equivalent yield – 5.86%
- Rent passing after expiry of rent free periods - £14.045m pa
- Estimated rental value - £17.55m pa



Ashton Road,
Romford, Essex

Valuation Yield Profiles

Sector	Initial Yield (%)	Equivalent Yield (%)	Reversionary Yield (%)
Industrial	4.70	6.06	6.30
Office	5.11	6.22	6.51
Retail	5.09	5.59	5.58
Overall	4.89	5.86	6.02



High Street,
Brentwood, Essex

Analysis of CBRE Valuation

(Like for Like: March to September 2007)

	Industrial	Office	Retail	Overall
ERV	+2.4%	+1.3%	0.0%	1.2%
Cap Val	-3.5%	+0.6%	-5.4%	-3.3%
Yield Shift (bps)	+20	+33	+33	+26



George Yard
Braintree, Essex

Portfolio Review (Cont.)

Sector	Average Rental Value (£/sq ft)	Average Capital Value (£/sq ft)
Industrial	4.59	93
Office	13.30	236
Retail	13.95	493
Residential	20.54	254
Overall	8.00	152



Inspira House,
Welwyn Garden City, Herts

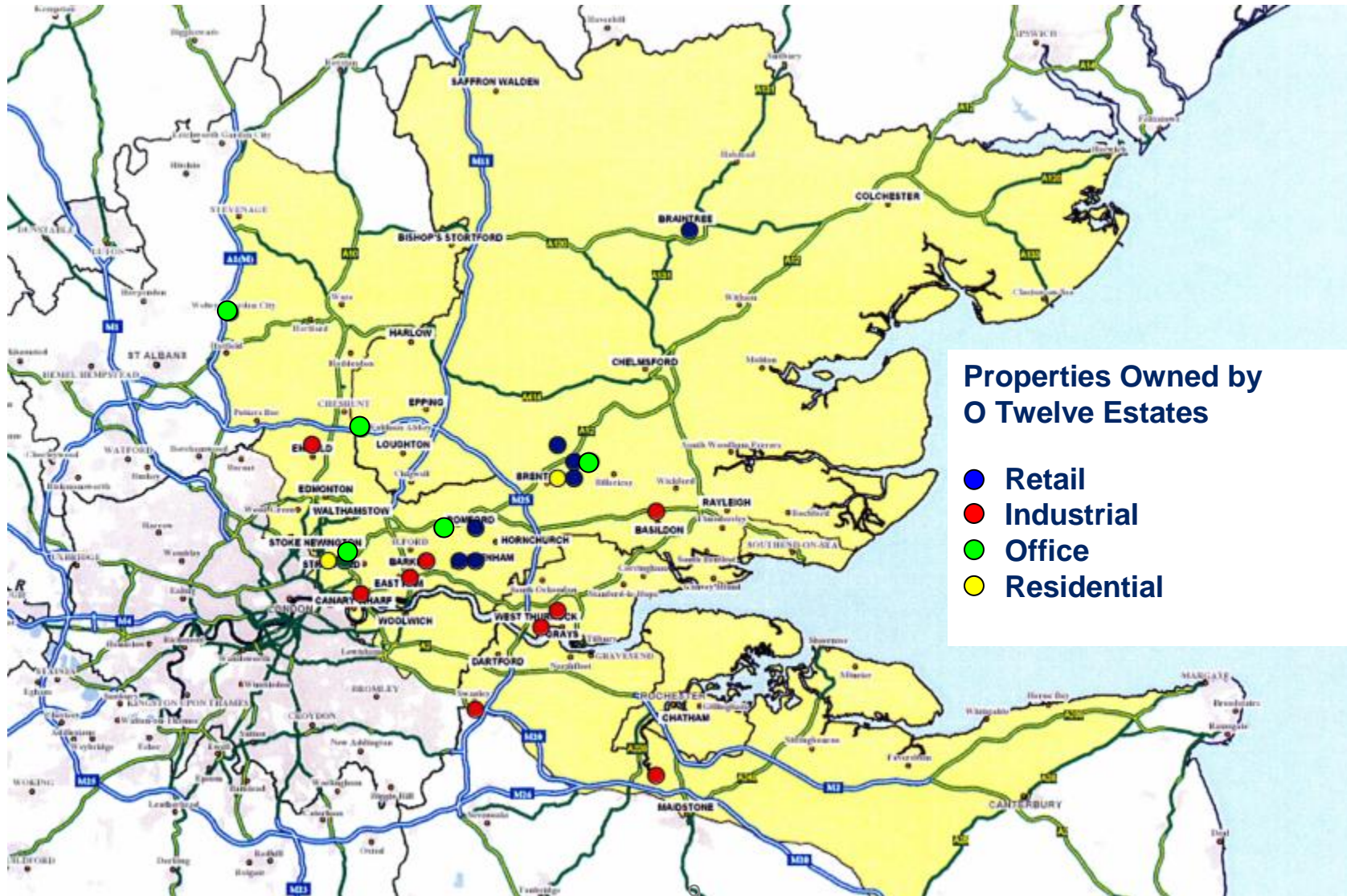
Portfolio Review (Cont.)

- Total floor area – 1.76m sq ft
- 22 properties in the four principal sectors
- 213 tenants with 22 vacant units
- Void accommodation – 16% of ERV reducing to 9% after agreed lettings complete



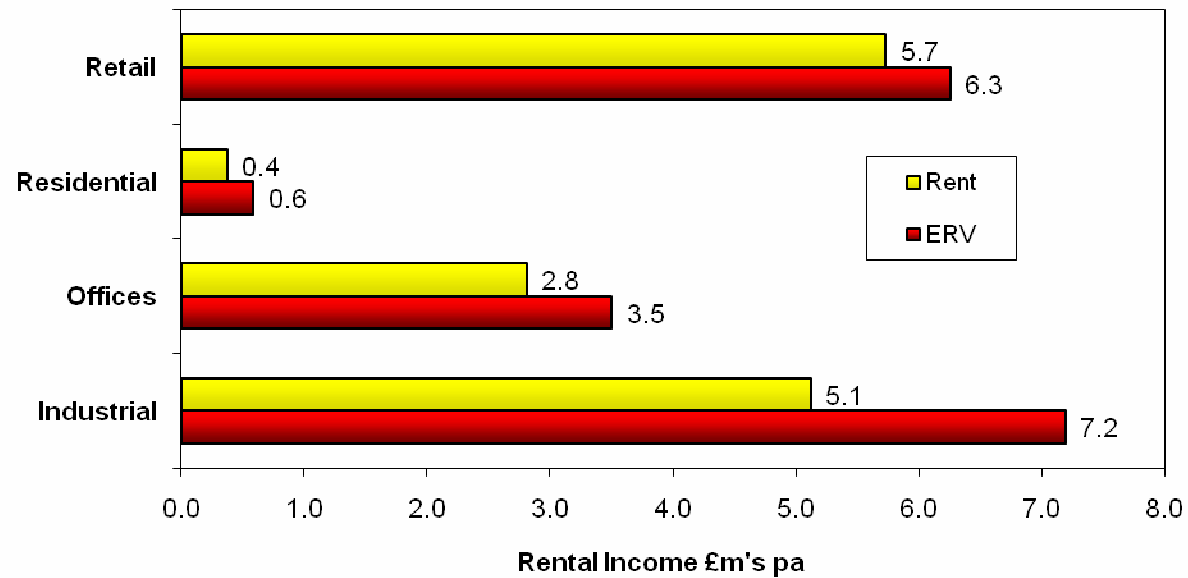
Grove Farm,
Chadwell Heath, Essex

O Twelve Target Area



Portfolio Analysis – Reversion by Sector

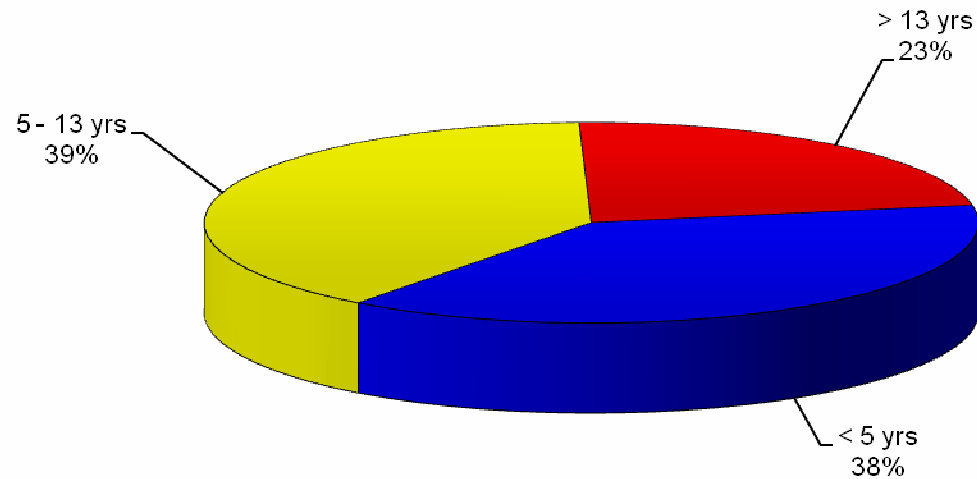
Reversion by Sector



The Mall, Heathway
Dagenham, Essex

Portfolio Analysis – Income Expiry Profile

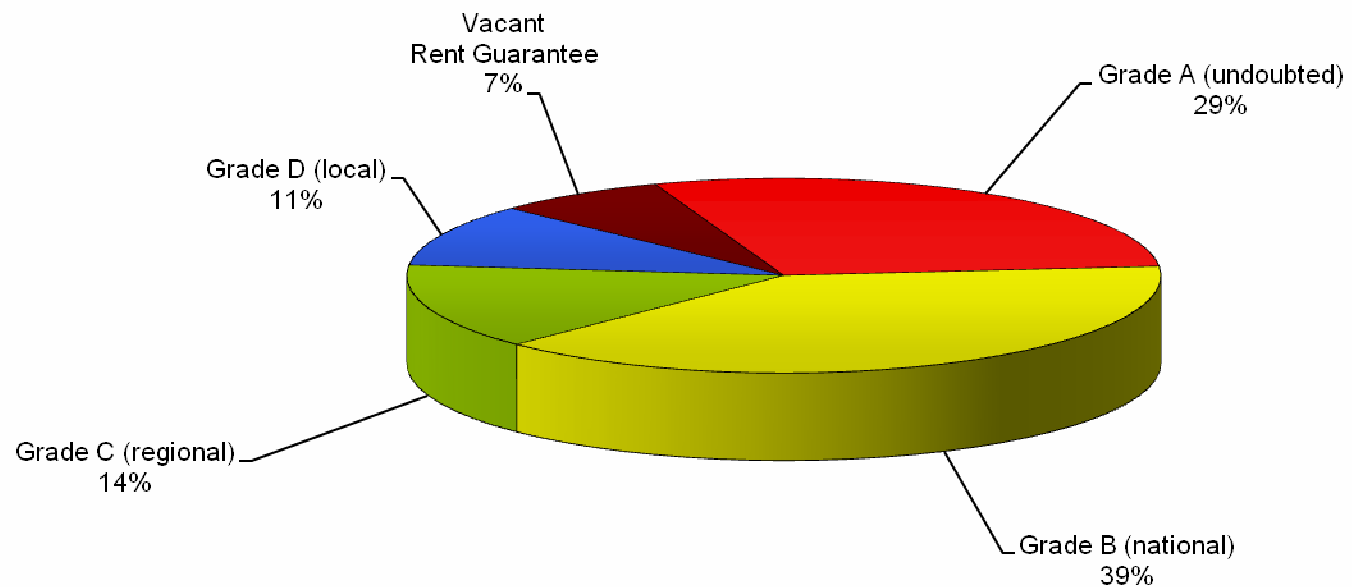
Income Expiry Profile



Gillender Street,
Bow, London, E1

Portfolio Analysis

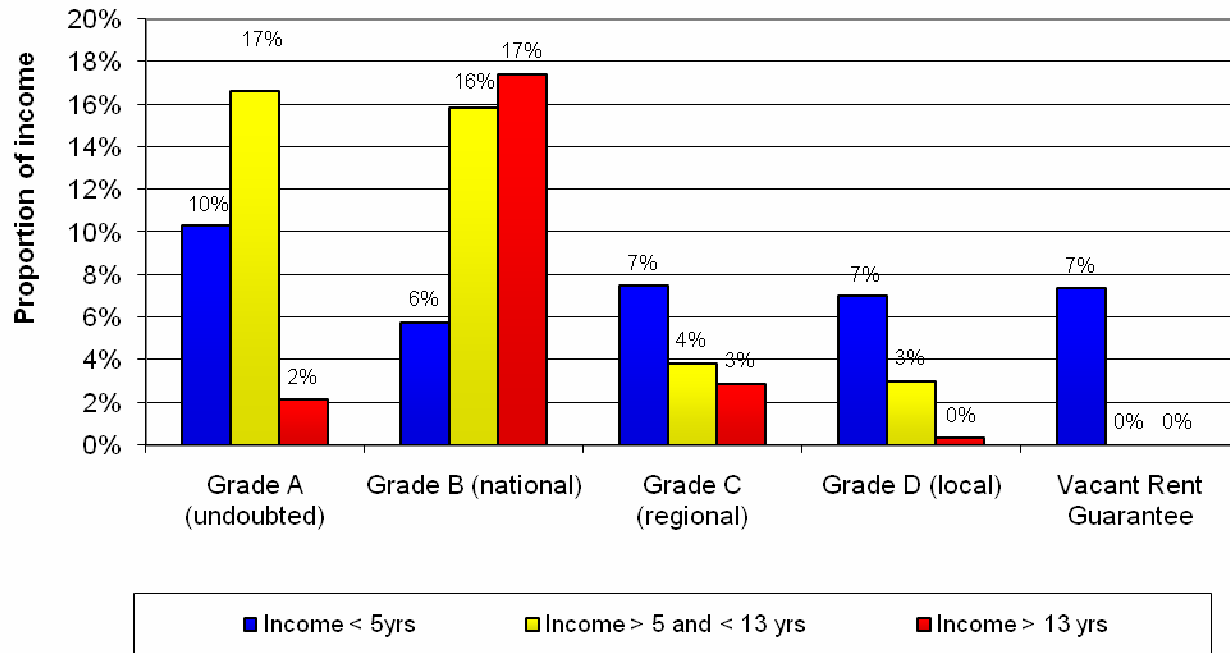
Tenant Covenant Strength by Contracted Rent



Mill River Trading Estate,
Enfield, Herts

Portfolio Analysis

Income Expiry Profile by Covenant Strength



75 High Street
Brentwood, Essex

Financing

- Nationwide loan agreement covenants: loan to value ratio 75%, income cover ratio 120%
- At 30 September £161m had been drawn, an LTV of 66% and an income cover ratio of 131% on properties charged as security
- To date £170m has been drawn. £138m is fixed until December 2014 at an average rate including margin of 6.1%. The balance is at 0.65% over LIBOR
- With 3-month LIBOR at 6.6%, the blended average rate payable on borrowings is 6.3%
- If all properties were charged and fully let at current rental values, the LTV ratio would be 63% and income cover would be 163%



Lakefield Industrial Estate,
Aylesford, Kent

Examples of Value Potential

Property /Unit	CBRE Valuation ERV (£psf)	Rental Agreed/ Achieved (£psf)	Effect on Overall Value (£)
The Interchange, Swanley	6.15	6.75	c.2,000,000
Queensgate, Waltham Cross	15.00	16.00	c.950,000
Barratt Industrial Estate, Bow	9.50	12.00	960,000
Bulgins Site, Barking			Recently acquired industrial development. Under offer for sale.



Paycocke Road,
Basildon, Essex

The Continuing Opportunity

- To build a substantial and diverse property investment portfolio in the Thames Gateway and the adjacent areas of east London, Essex, south Hertfordshire and north Kent
- Properties in these areas generally provide more scope for value enhancement than properties in south eastern England as a whole
- Major regeneration projects and infrastructure improvements in the Target Area provide scope for significant capital and rental growth
- The Olympic and Paralympic Games are a major catalyst for a potential repositioning of the Target Area, structurally, economically and culturally
- Taken together, the initiatives in these areas represent the largest regeneration project in Europe



Romford Road
Stratford, London, E15

Government Forecasts

- Thames Gateway is home to approximately 1.45m people with 160,000 new homes and 180,000 new jobs projected to be created by 2016
- Since 2003 Government has spent over £7bn in investment in the Gateway
- Tourist industry expected to receive a £3bn boost with the Games
- East London boroughs by 2016 are targeted to have 40% of London's employment growth and 33% of the population growth



QED, Purfleet Bypass
West Thurrock, Essex

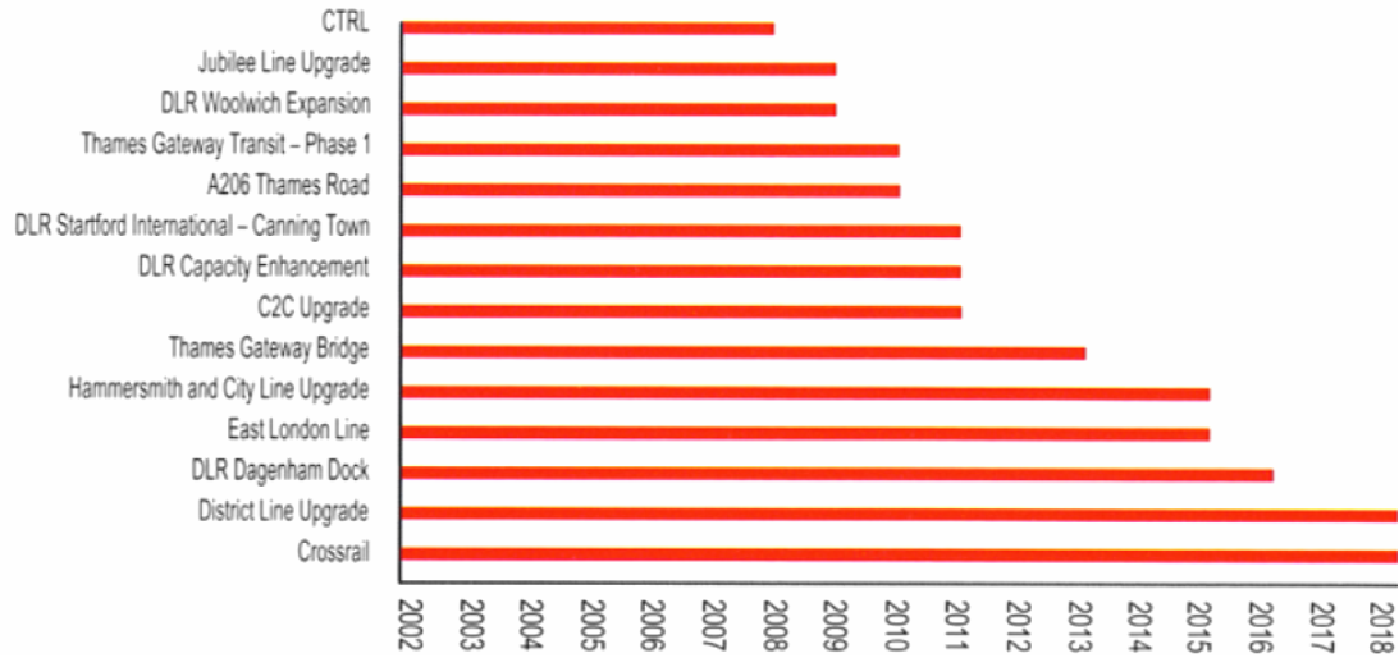
“Brown unveils £9bn package in the Thames Gateway” (29/11/07)

- £7bn already invested since 2003
- Britain’s first ever eco-region
- £800m on 15,000 affordable homes
- 160,000 homes and 225,000 jobs by 2016 (up from 180,000)
- £1.5bn spend on redeveloping 8 hospitals
- £100m spend on 13 transport schemes
- £275m to regional development agencies for investment



Ingrave Road,
Brentwood, Essex

Transport Timeline



Sources: TfL



Pedham Place,
Swanley, Kent

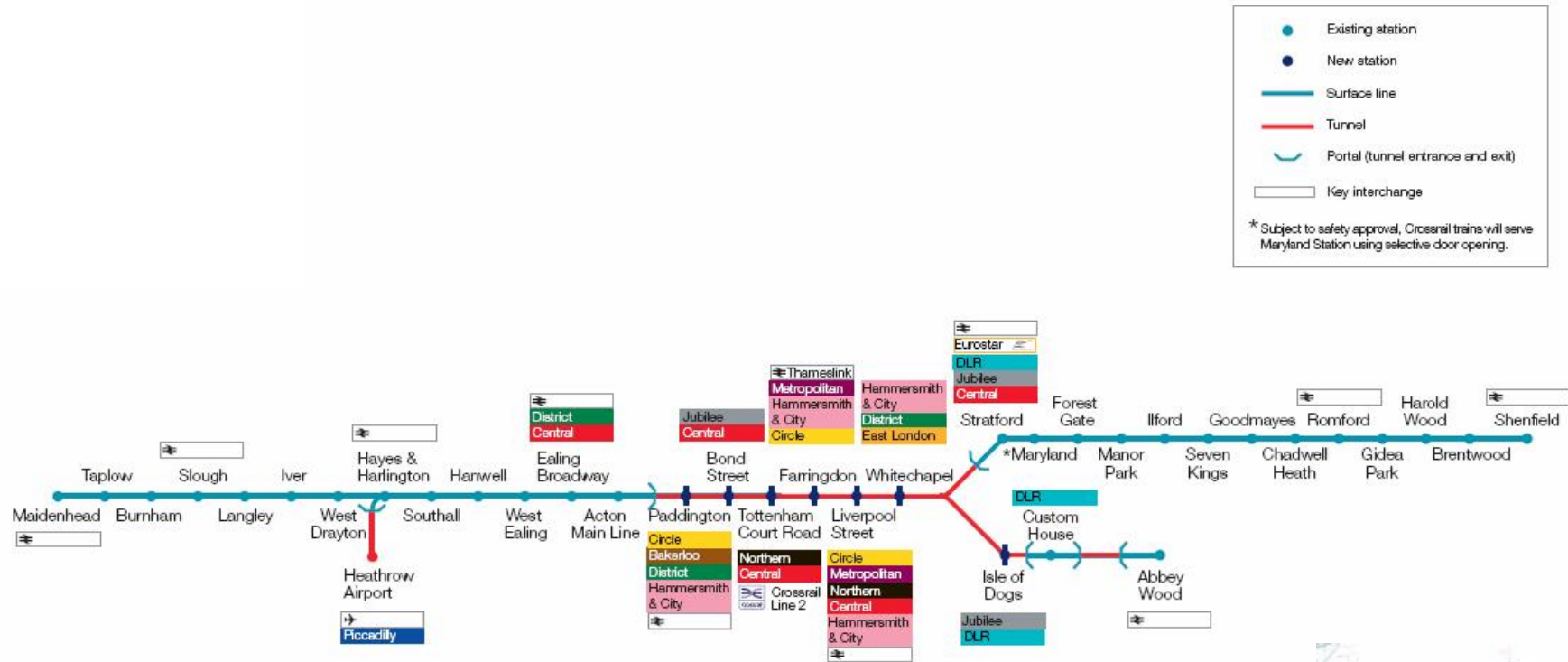
Stratford Accessibility

Destination	Minutes 2007	Minutes 2017	Percentage Reduction (%)
Heathrow	60	49	18
Paddington	32	16	50
Bond Street	21	14	33
Tottenham Ct Rd	18	12	33
Farringdon	20	10	50
Liverpool St	10	8	20

Source: Jones Lang LaSalle



Gascoigne Road,
Barking, Essex



St Thomas Road,
Brentwood, Essex

- Construction is due to start in 2010, the first trains running by 2017
- Construction to Canary Wharf might be delayed until 2020
- Crossrail will link Maidenhead with Shenfield and will create 30,000 jobs
- It is expected to contribute £20bn to the overall economy
- Crossrail will link up the UK's four economic power houses of the City of London, Canary Wharf, the West End and Heathrow which are currently home to 850,000 jobs
- Cost estimated as £8.3bn at 2002 prices including a contingency



Britannia Road,
Waltham Cross, Herts

The Economic Benefits of

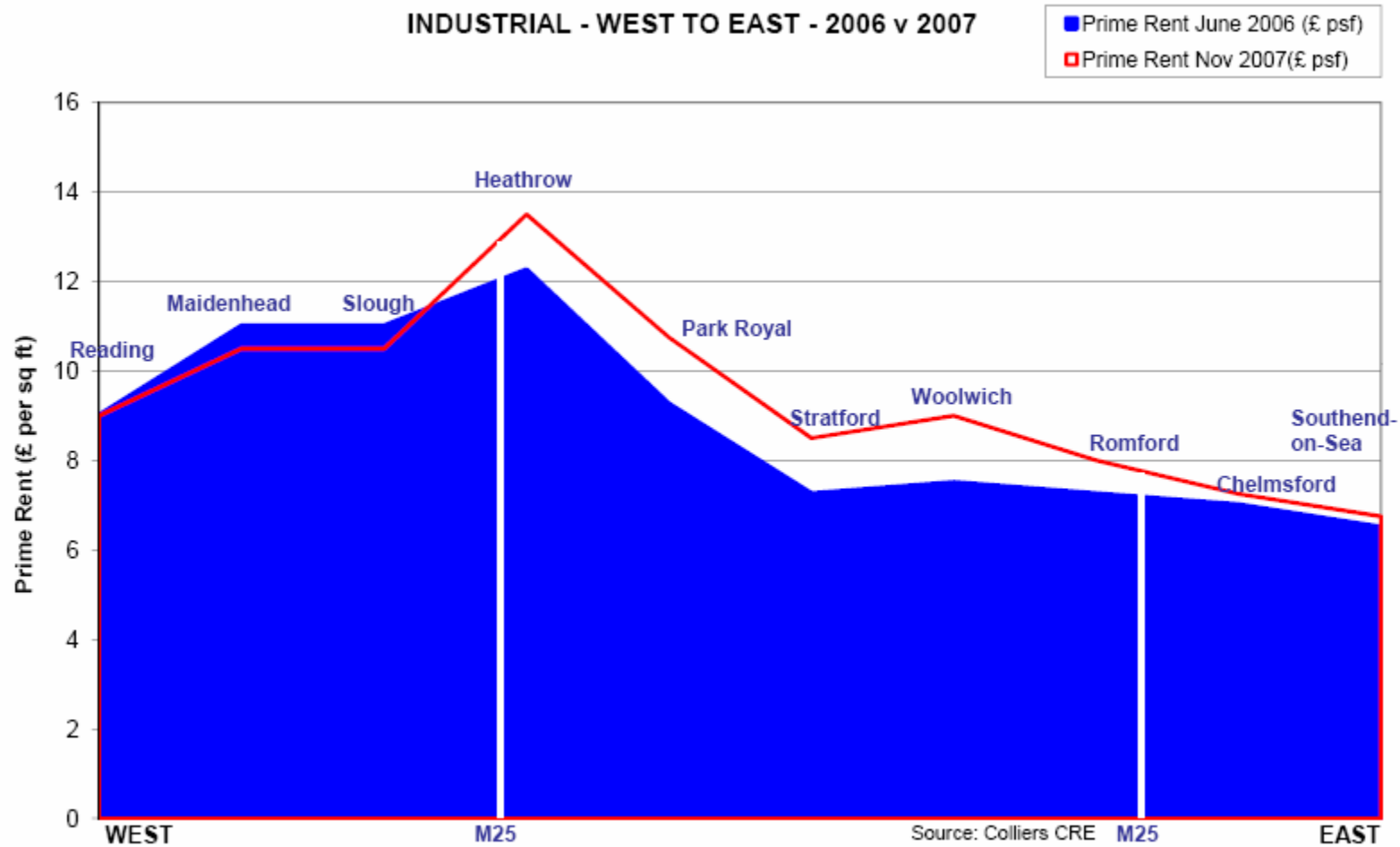


- Net benefit of £30bn to the UK GDP – NPV over 60 years
- Extra £12bn in tax revenues – NPV over 60 years
- Time saved to business valued at £4.86bn
- Journey times from Heathrow to Canary Wharf roughly halved – 70 mins to 43 mins
- Crossrail will strengthen London's international transport hub

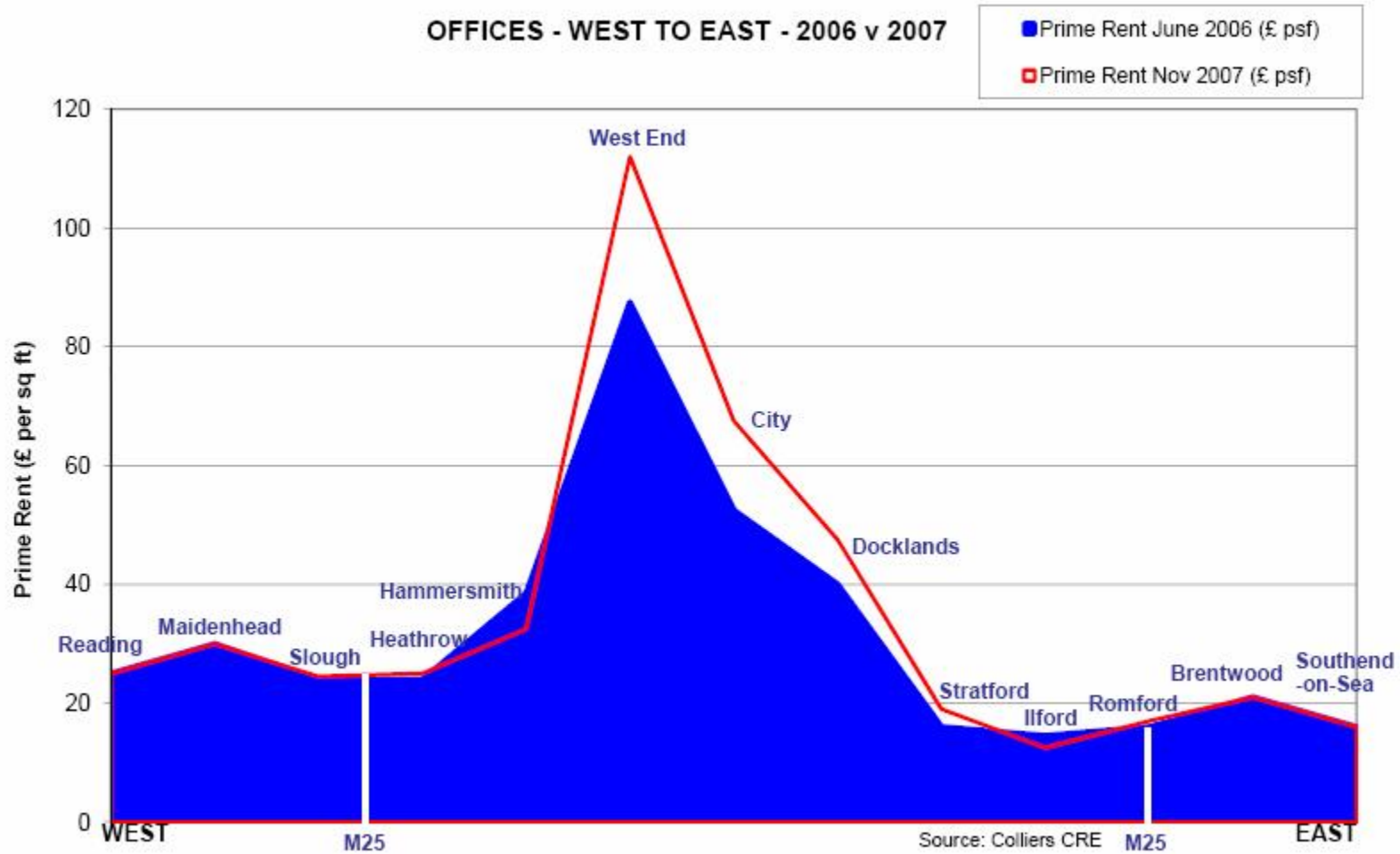


Western Avenue,
Thurrock, Essex

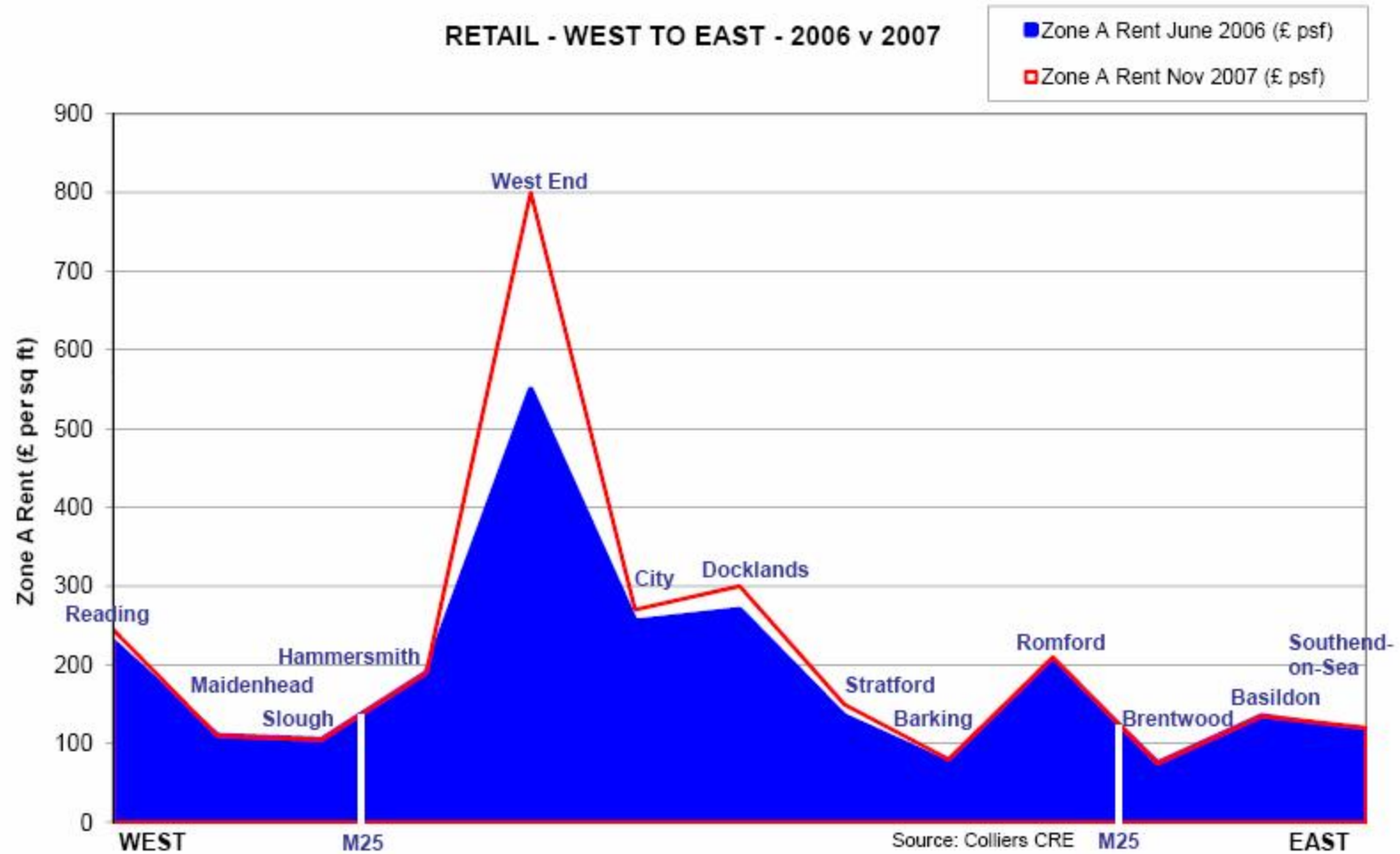
Independent Research



Independent Research

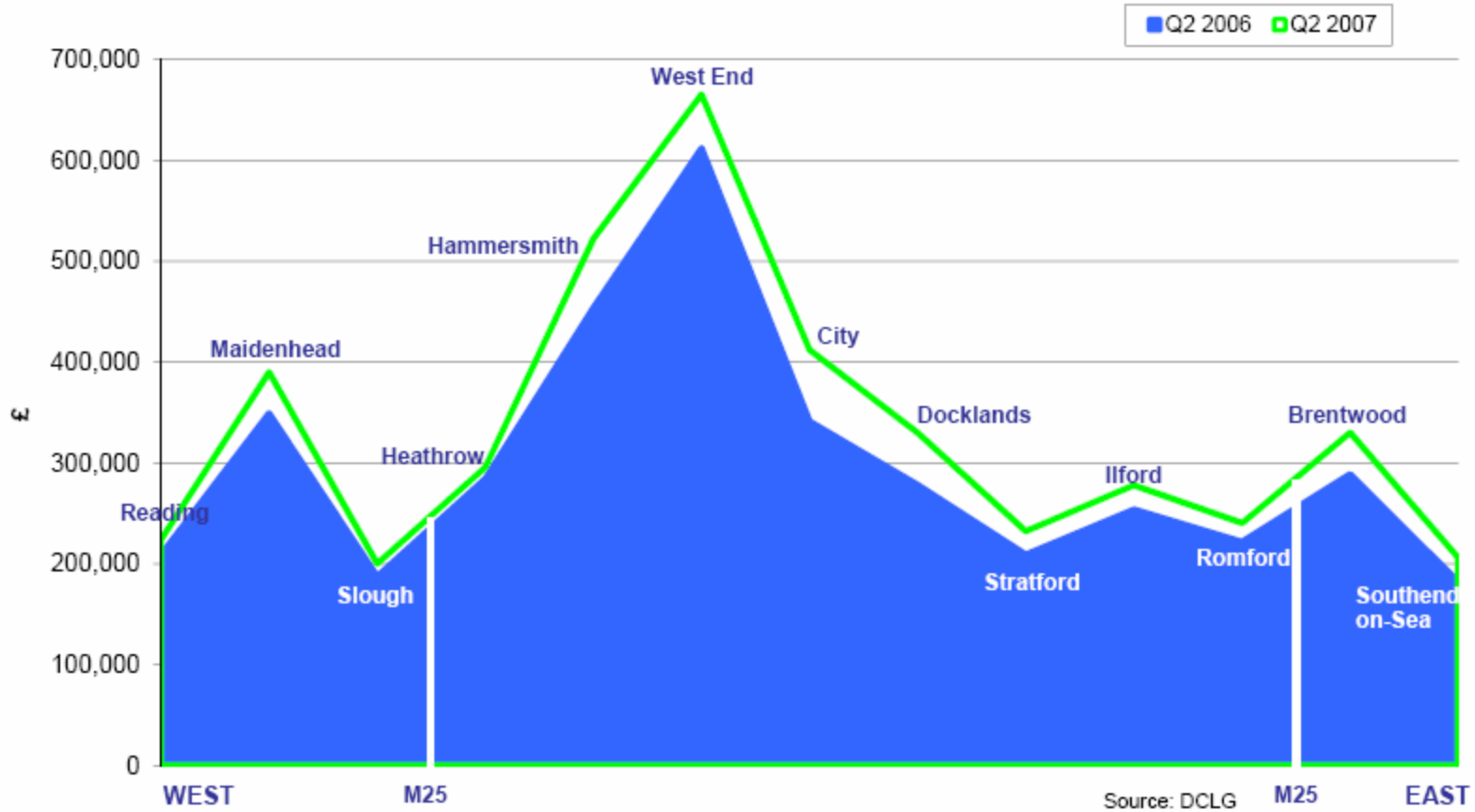


Independent Research



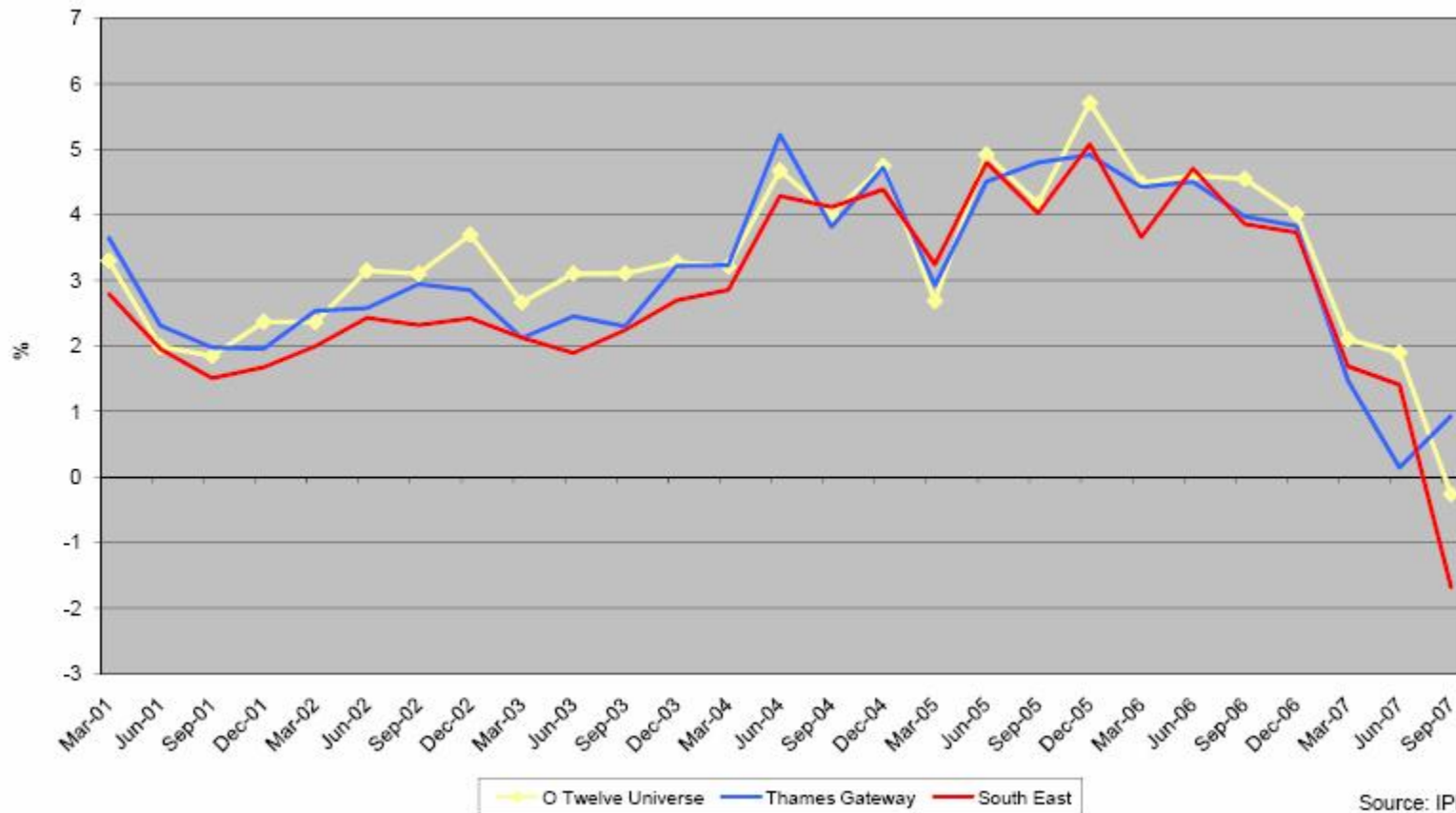
Independent Research

AVERAGE HOUSE PRICES - WEST TO EAST - NOV 2007



Independent Research

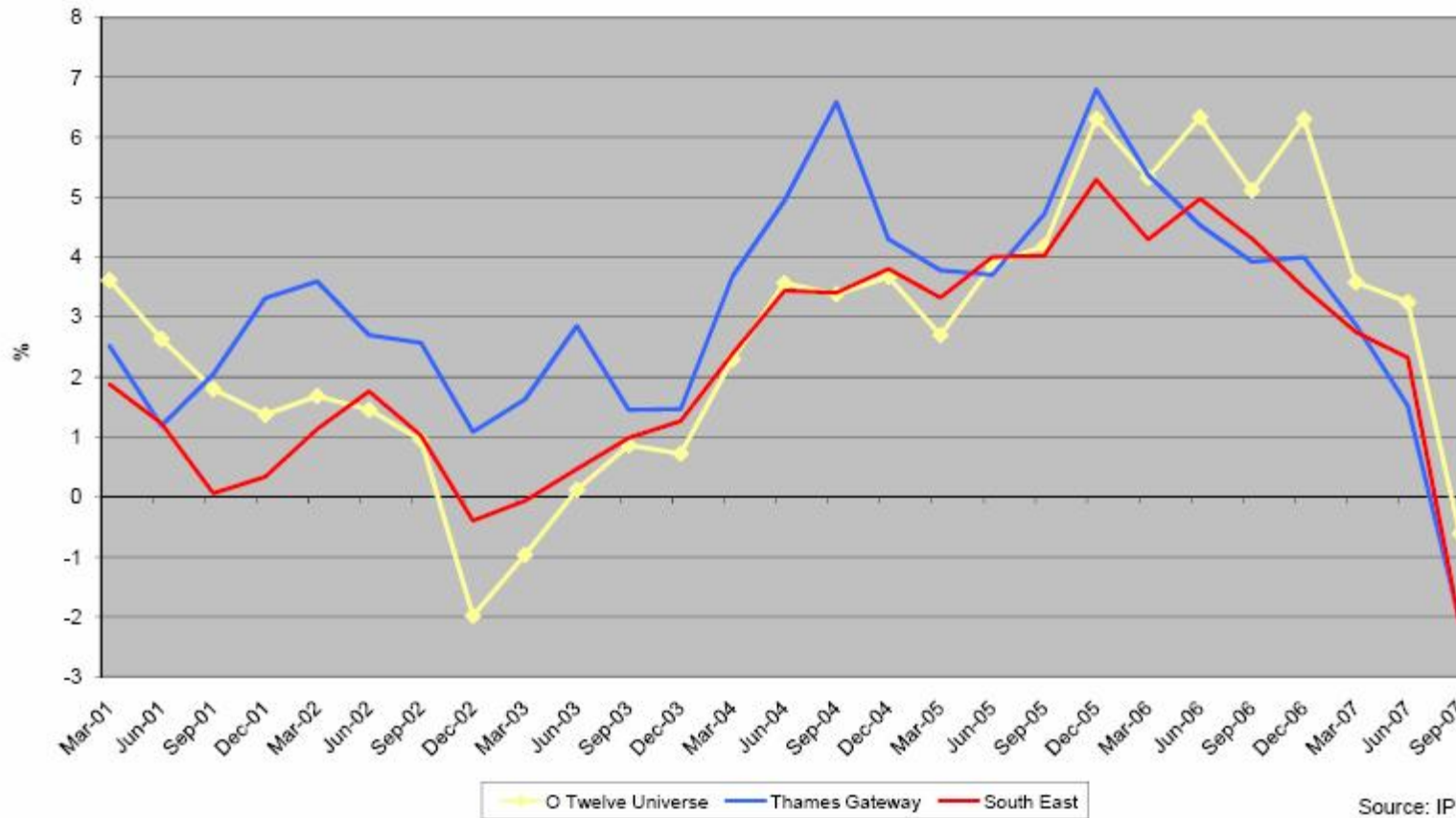
Industrial - Quarterly Total Return



Source: IPD

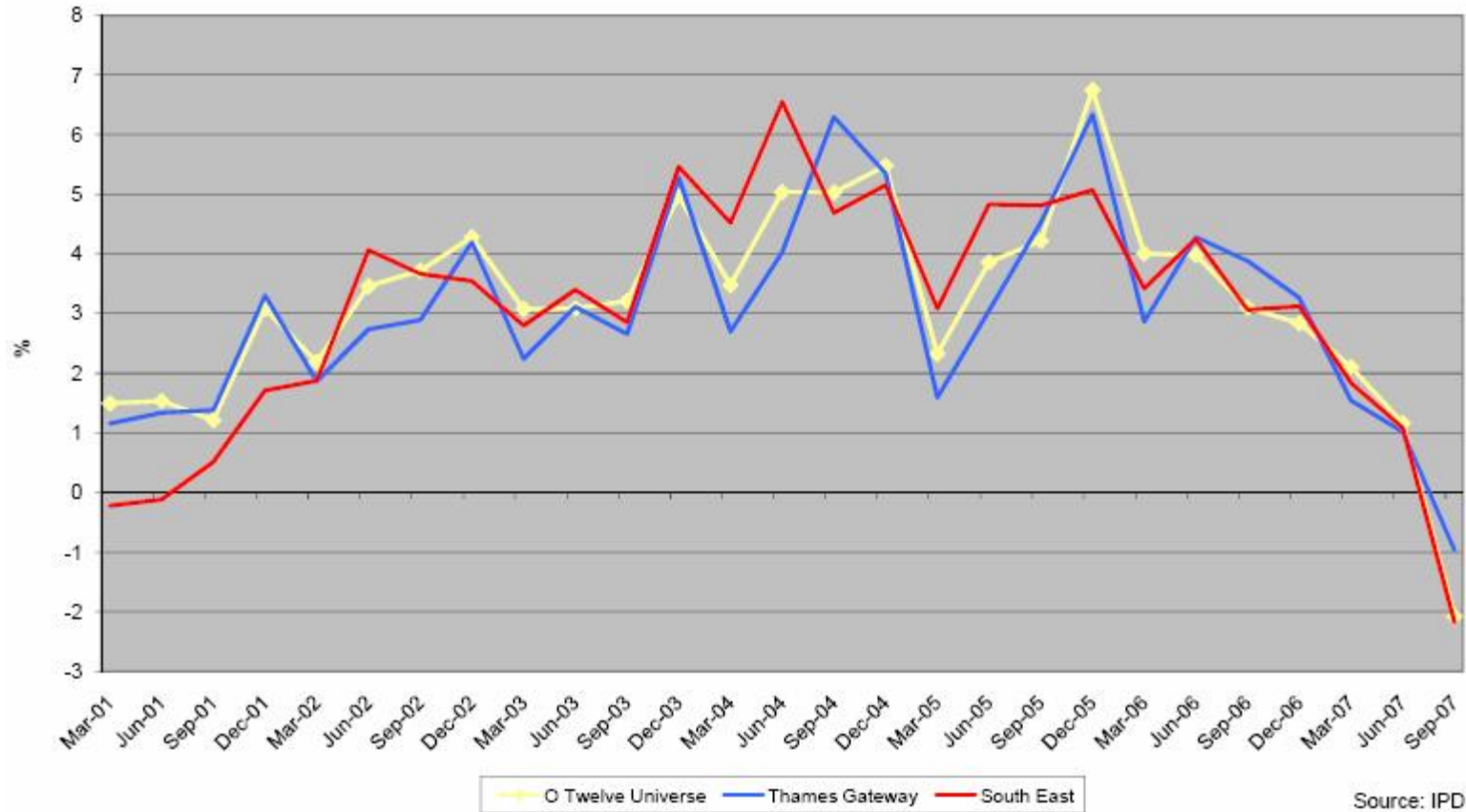
Independent Research

Office - Quarterly Total Return



Independent Research

Retail - Quarterly Total Return



Principal Shareholders

Shareholder	Percentage %
F & C Asset Management Plc	12.40
Threadneedle Asset Management Ltd	9.64
AEGON Asset Management UK Plc	8.26
Aberdeen Asset Managers Ltd	8.17
Forest Nominees	7.94
BlackRock Investment Management (UK) Ltd	5.78
Gartmore Investment Management Ltd	4.67
Rathbone Investment Management Ltd	4.11
UBS Global Asset Management (UK) Ltd	3.27
Rugby Estates Plc	3.30



Gascoigne Road,
Barking, Essex

And so.....

- The vision at flotation has not changed.



