



otwelve estates

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O Twelve Estates Limited

Results

Period ended 31 March 2007

Phillip Rhodes – Chairman

Rugby Asset Management Ltd

Property Adviser to O Twelve Estates

David Tye – Executive Chairman

Andrew Wilson – Chief Executive

Stephen Jones – Finance Director



www.rugbyestates.plc.uk

- 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 Games are a major catalyst for a potential repositioning of the Target Area both structurally, economically and culturally.
- Taken together, the initiatives in these areas represent the largest regeneration project in western Europe.



Financial Highlights Period Ended 31 March 2007

- £122.5 million of equity raised in March 2006.
- Profit before tax of £3.7 million.
- Earnings per share of 3.01 pence.
- Portfolio value of £236.6 million.
- Net assets per share – 98.15p



Achievements to 31 March 2007

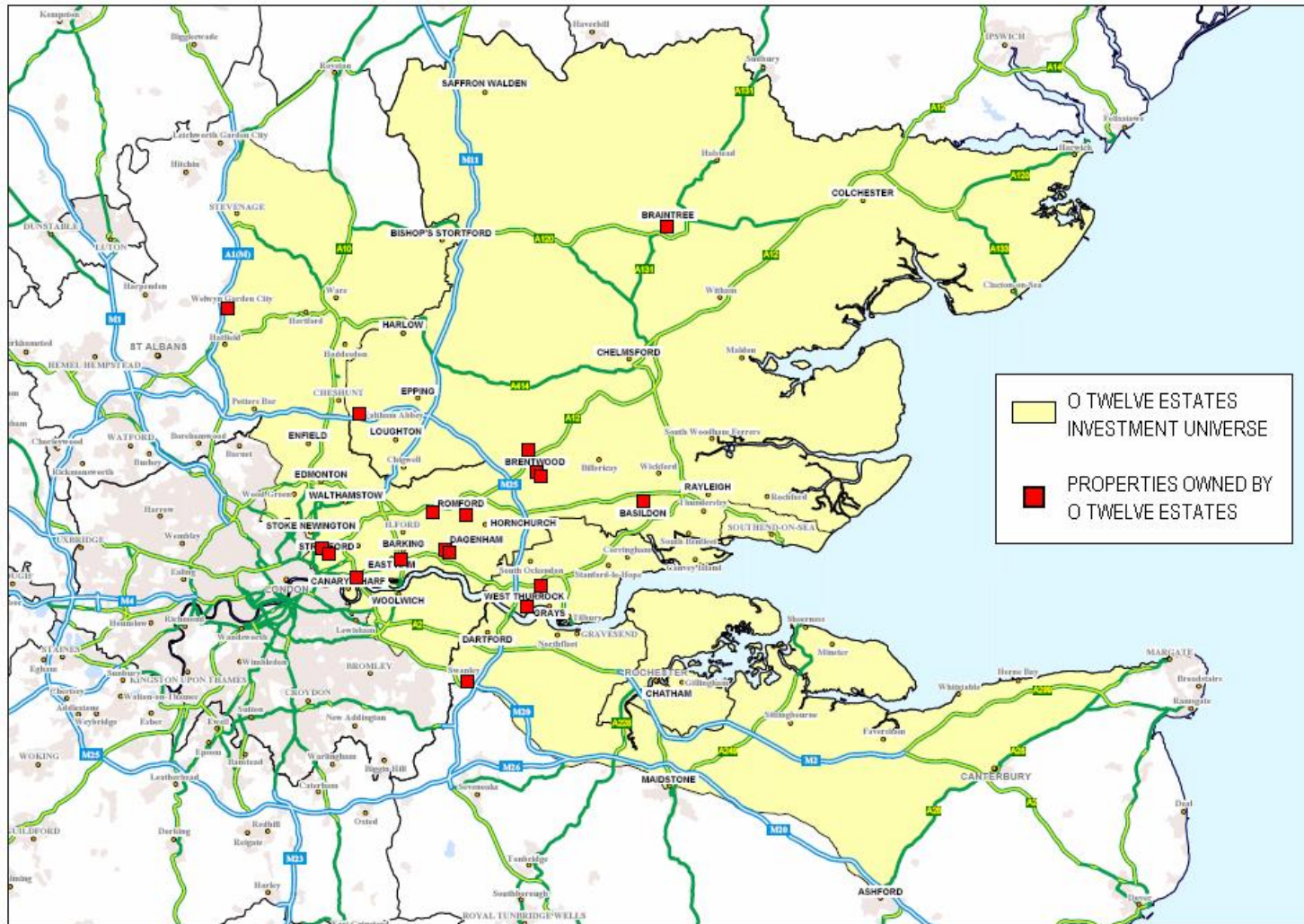
- 18 properties acquired.
- Portfolio value of £236.6 million.
- Initial equity invested by December 2006.
- Loan facilities of £250 million arranged with Nationwide Building Society.
- Purchase costs and SDLT substantially recovered despite short period of ownership (book cost £236.8 million), representing a 4.7% uplift over total purchase price.
- £40 million invested in four properties since 31 March 2007.
- Further opportunities under consideration.



Rental Income Analysis at 31 March 2007

	<u>£ million</u>	<u>Yield %</u>
Current income	12.2	4.9
Rent free periods	0.3	5.0
Available for letting	1.3	5.5
Reversions	0.7	5.8
Rental value	<hr/> 14.5 <hr/>	

Target Area & Portfolio



Acquisitions

Solar House, Stratford E15



Multi Let Office

Gascoigne Rd, Barking



Single Let Distribution Warehouse

George Yard, Braintree



Shopping Centre

Barratt Estate, Bow E3



Multi Let Industrial

QED, Thurrock



Part Let Distribution Warehouse

Queensgate, Waltham Cross



Multi Let Office

Salway Place, Stratford E15



Multi Let Residential

Mellon House, Brentwood



Single Let Office

Western Avenue, Thurrock



Single Let Distribution Warehouse

Acquisitions

The Mall, Heathway
Dagenham



Shopping Centre

75 High Street, Brentwood



Retail

Pedham Place, Swanley



Multi-Let Industrial

Grove Farm, Chadwell Heath



Retail Warehouse Park

The Baytree Centre,
Brentwood



Shopping Centre

Inspira House, Welwyn
Garden City



Office

Redwing Court, Romford



Office Refurbishment

Bakers Court, Basildon



Multi Let Industrial

Acquisitions Since 31 March 2007

£40 million invested in Four Properties

Larkfield Mill, Aylesford



Multi-Let Industrial

St Thomas Road, Brentwood



Residential for development

Mill River, Enfield



Multi-Let Industrial

Bulgins Site, Barking



Industrial for development

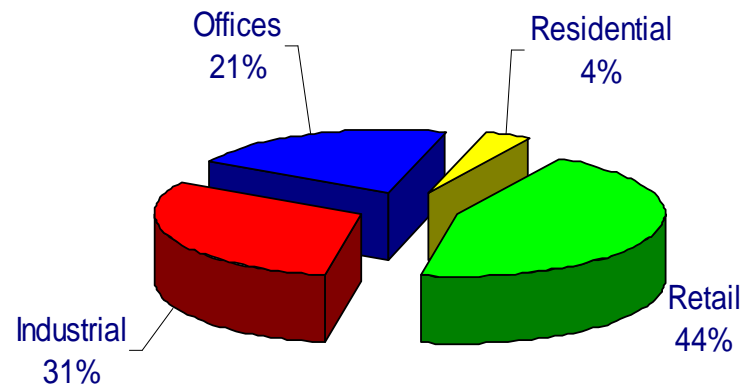


Portfolio Review as at 10 July 2007

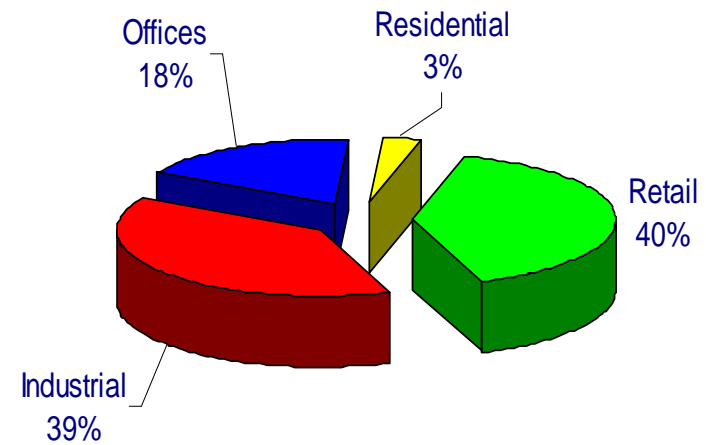
- £276 million of property acquired.
- Current rental income is £14.3 million p.a. rising to £14.7 million p.a. on expiry of rent free periods.
- CBRE's view of rental value for the portfolio is £16.8 million p.a.
- Average office rent of £13.20 per sq ft and industrial rent of £5.40 per sq ft.
- Current net initial yield, 5.0%. Reversionary yield, 5.9%.
- Number of tenants, 184

Sector Split by Capital Value

As at 31 March 2007

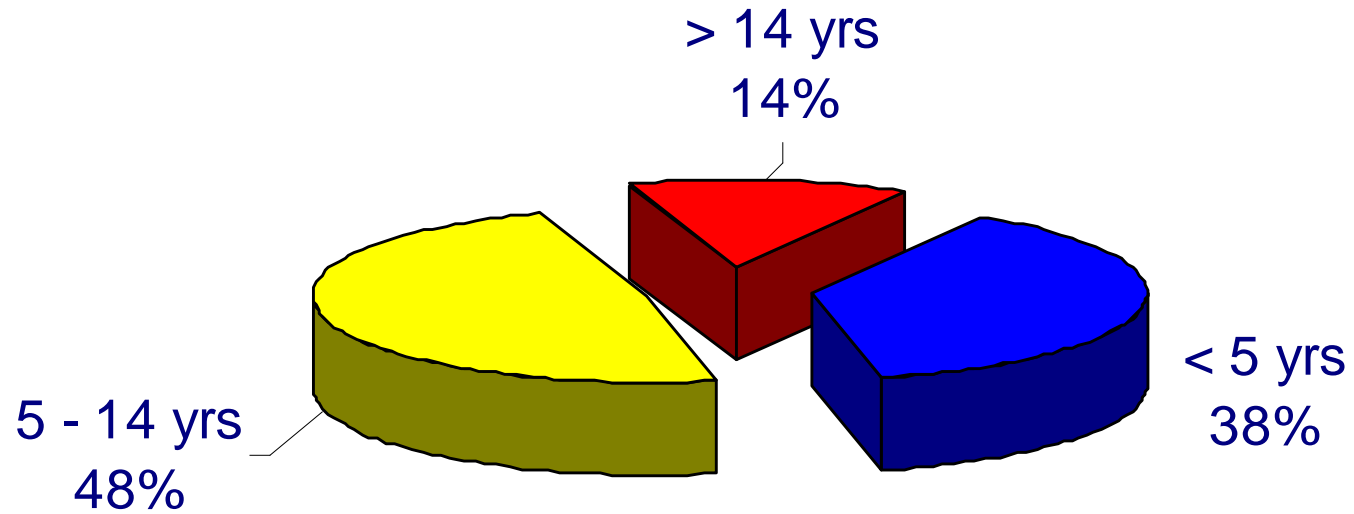


As at 10 July 2007



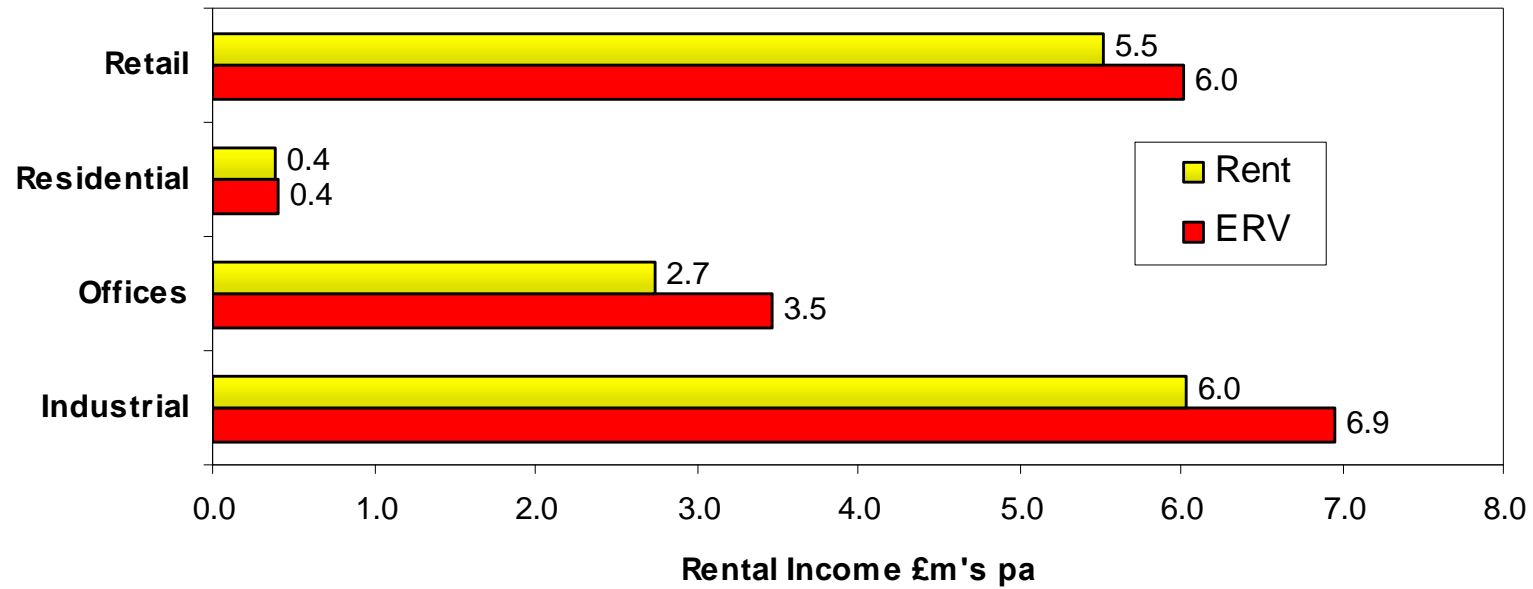
Income Expiry Profile

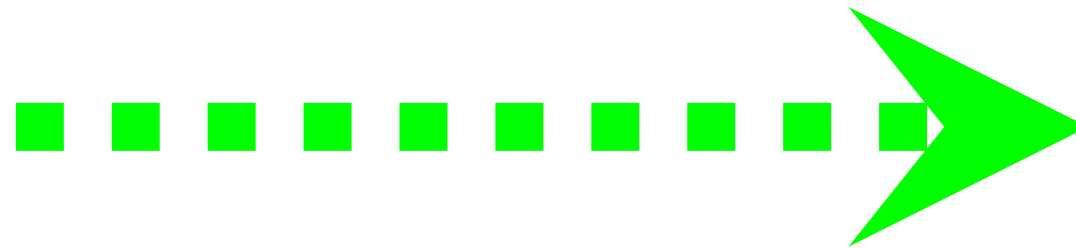
As at 10 July 2007



Reversion by Sector

As at 10 July 2007





The Continuing Opportunity


Transport Timeline


2006	2007	2008	2009
Completion of new improved road access to London Stansted via junction 8 of the M11	Completion of Channel Tunnel Rail Link to Central London	Completion of Heathrow Terminal 5 (Phase 1)	Completion of the DLR extension to Woolwich Arsenal
Addition of a seventh carriage to all Jubilee Line trains	Extension of East London Transit (ELT) services starts	Completion of new London Southend Airport terminal. Ongoing negotiations for expansion of other facilities	Completion of Jubilee Line upgrade increasing capacity by 45% and new signaling
King's Cross St Pancras tube station upgrades complete	Completion of the new Stratford DLR station	Completion of new train link between Southend Airport and Stratford	Olympic Javelin service opens on the Channel Tunnel Rail Link linking Central London to the Olympic Park in 7 minutes
C2C track improvements between London Fenchurch Street and Barking		Extra slip road lane from junction 28 of the M25 onto the A12	Creation of a dual carriageway and other improvements on the A206 Thames Gateway Road

Transport Timeline


2010	2011	2012	2013
Completion of the DLR Stratford International Extension	Refurbishment of all Northern Line stations	By 2012, all London Underground Stations will have been modernised or refurbished	Completion of the Thames Gateway Bridge link from Beckton to Thamesmead
Completion of Jubilee Line extensions and refurbishment and modernisation of all Jubilee Line stations	Completion of infrastructure improvements to the Central Line	240 trains an hour, one every 15 seconds will take up to 320,000 passengers into east London's Olympic Park	Completion of DLR extension from Gallions Reach through Barking Reach to Dagenham Dock
Completion of City Airport development phases - new runway hold point, stand development, nose-in parking, east apron extension	3-car upgrade for the DLR route between Poplar and Woolwich	Majority of work on Thameslink improvements to be completed before 2012 Olympics	Phase 2 of the ELT service to be completed (Barking Town Centre to Gallions Reach)
Completion of 1st stage of East London Line extension from Highbury & Islington via Dalston to West Croydon and Crystal Palace	Procurement of 22 new DLR rail cars		Subject to planning, a second runway at Stanstead Airport will be operational by 2013

Proposed Crossrail Destinations







Crossrail trains
Crossrail trains will be 350m long (500 feet) and consist of 10 carriages, giving passengers more space than on London Underground trains. Each train can carry 1,520 seated and standing passengers at peak times.




Maidenhead
Major changes are planned in and around Maidenhead station to provide better facilities for passengers. The plans include a rearranged footcut, new ticket hall, pedestrian underpass and improved access to the platforms.




Bridges
Sixteen bridges between Burnham Station and Stockley Flyover will be upgraded so that overhead electrification can be put in place. The new bridges will also provide improvements for pedestrians, cyclists and other road users.




Heathrow
Crossrail is designed to fit in easily with the existing rail networks and ticketing systems. Services planned to and from Heathrow will improve what is currently available by increasing travel opportunities for commuters, leisure travellers and people who live and work in the area.



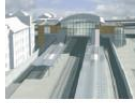
Ealing Broadway
Crossrail is proposing to redevelop some key surface stations, like Ealing Broadway which will provide a new, high quality interchange between Crossrail, First Great Western Link and London Underground. Plans include a new ticket hall and lifts for step free access from street to platforms.




New underground stations
Seven new underground stations will be built to make travelling easier and convenient for more people. The platforms will be at the same level as the train floor making it easier and safer for people to get on and off. Altogether, the trains will be stopping at 36 stations.




Liverpool Street
The Liverpool Street Crossrail station will be partly below the new Moorhouse building at Moogate, designed by Lord Foster. The ventilation shaft beneath the building is 30m deep and will provide air to the Crossrail tunnels, cooling it in hot weather.




Abbey Wood
The new station planned at Abbey Wood will be an important interchange between Crossrail, the North Kent Line, Greenwich Waterfront Transit and local bus services. Station facilities will be built above two island platforms including lifts, a new ticket hall and improved access for pedestrians.



Ilford
A new station will be constructed at Ilford Station to make rail travel easier. A new ticket hall will be built with new entrances from the street, lifts and stairs to platforms.



Vertical alignment (Central Section)
Royal Oak Portal to Victoria Dock Portal
Not to scale - vertically exaggerated



- Existing station
- New station
- Surface line
- Tunnel
- Portal (boreal entrance and exit)

* Subject to safety approval, Crossrail trains will serve Maryland Station using selective door opening.

Quick guide to Crossrail

Crossrail is an exciting and visionary new railway proposal for London, the South-East and the UK. It will make travelling in the area easier and quicker. The plan is for trains to start running in 2015.

It will be one of the largest engineering projects in Europe, creating thousands of jobs in construction and in the longer term through regeneration.

The plan is for 24 trains per hour in peak times in each direction through central London, and 12 trains per hour off-peak, making it easier to travel into and across the capital. More than 160,000 passengers will be carried in the morning peak period. Trains will travel at up to 100mph on the surface and 50mph in tunnels. The best in available rolling stock technology will be used, including air-conditioned carriages.


Crossrail services will fit in with existing rail, bus and airline transport to create an integrated transport system. With new trains and remodelled stations it will make it possible for more people to make more journeys, more easily.

The Government has costed the project at £10 billion, including £3 billion contingencies (at 2002 prices).

Crossing the Capital Connecting the UK

Crossrail will bring one and a half million more people to within 40 minutes reach of London's key business areas including Canary Wharf, and tourist areas like Tottenham Court Road (interior of the proposed new station pictured right).

Crossrail has been digging boreholes along the line 1 route to check on the ground conditions through which the tunnels will pass.




Crossrail is paying particular attention to the needs of those with mobility difficulties by designing new stations with 'step-free' access. Proposals include tactile surfaces, high visibility features and loud speaker announcements.

For safety reasons, the London Fire and Emergency Planning Authority require tunnel access shafts, to be provided at no more than one kilometre apart.

According to estimates made by the Greater London Authority, Crossrail will contribute £19bn to the British economy. It has a cost benefit ratio of 1:2.6. This means that for every £1 spent, there will be a return in various benefits to the community to the value of £2.60.

During construction it will be necessary to call on the expertise of engineers from around the world.

Crossrail connections



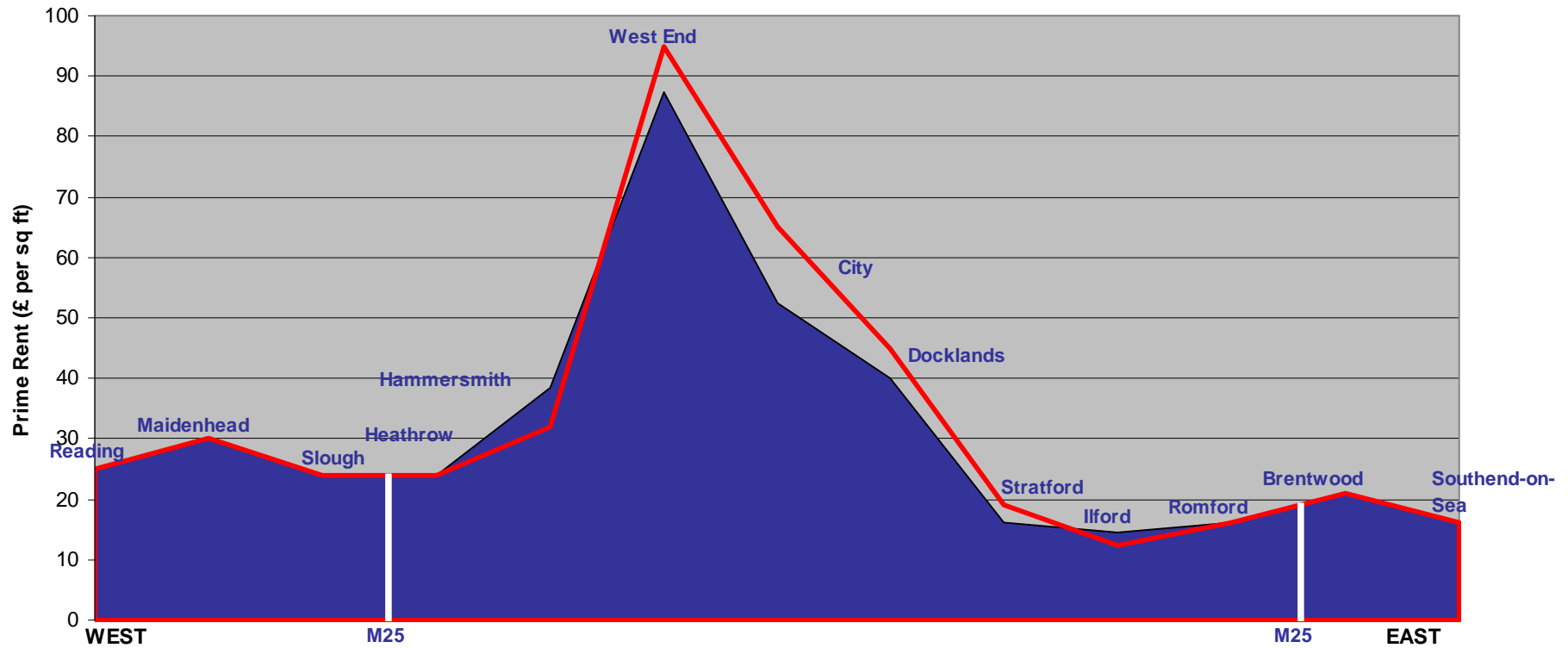
- Existing station
- New station
- Surface line
- Tunnel
- Portal (boreal entrance and exit)
- Key interchange

* Subject to safety approval, Crossrail trains will serve Maryland Station using selective door opening.

Offices West to East

2006 v 2007

■ Prime Rent June 2006 (£ psf)
 □ Prime Rent June 2007 (£ psf)

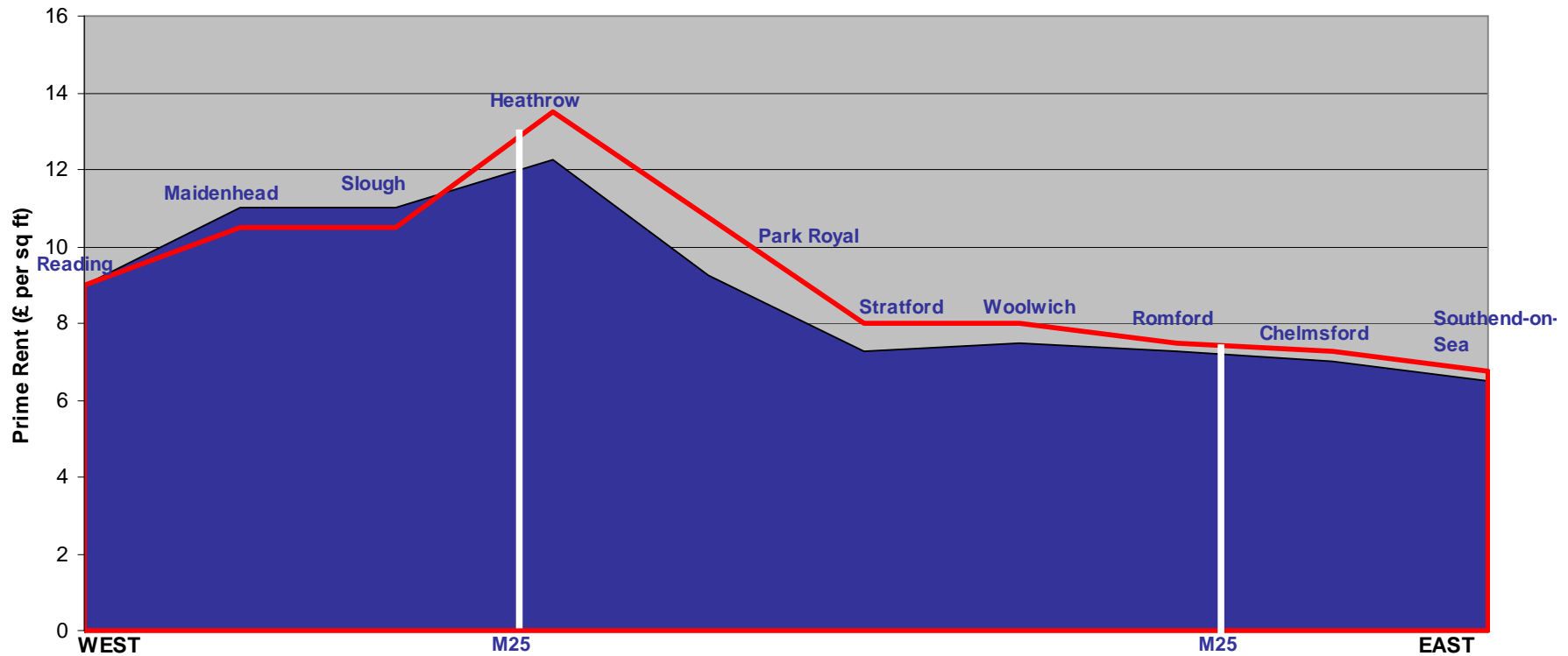


Source: Colliers CRE

Industrial West to East

2006 v 2007

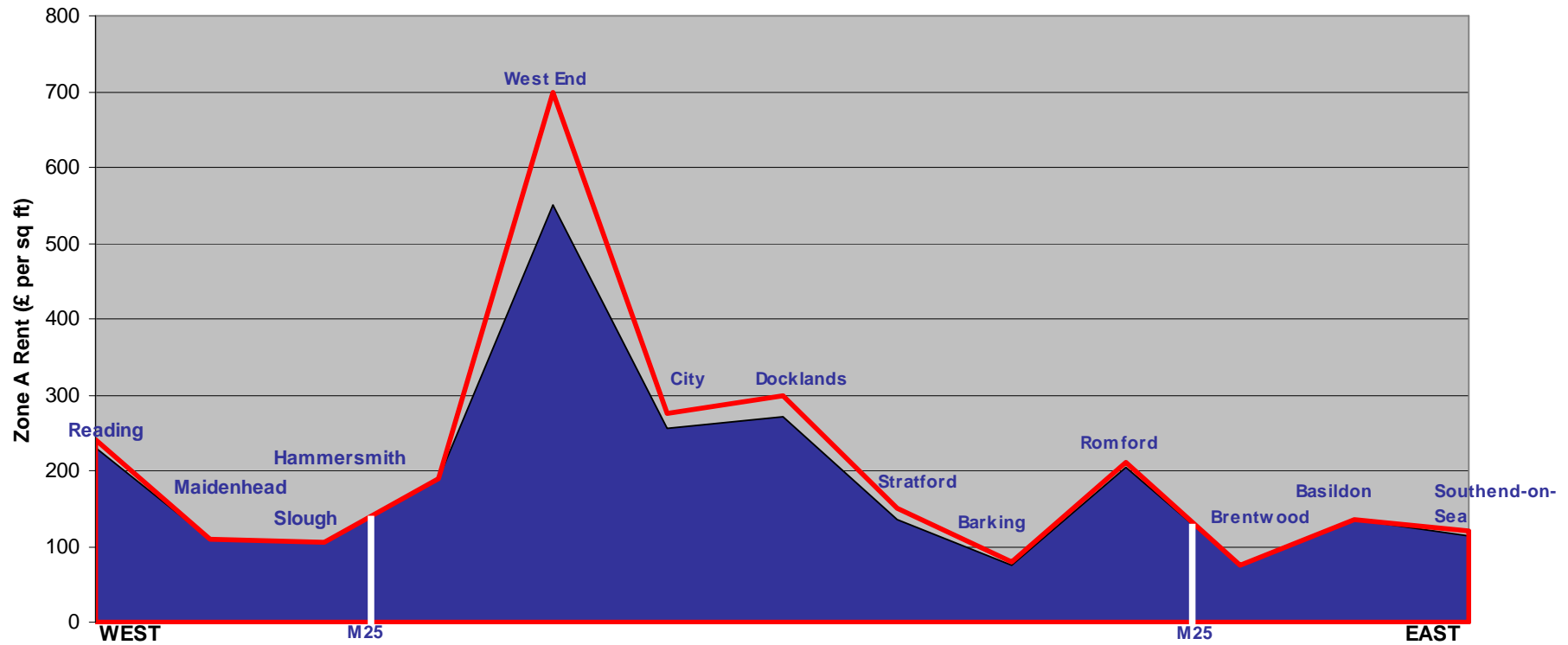
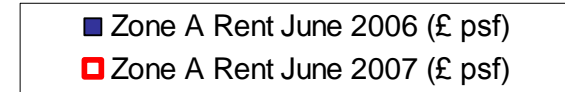
- Prime Rent June 2006 (£ psf)
- Prime Rent June 2007 (£ psf)



Source: Colliers CRE

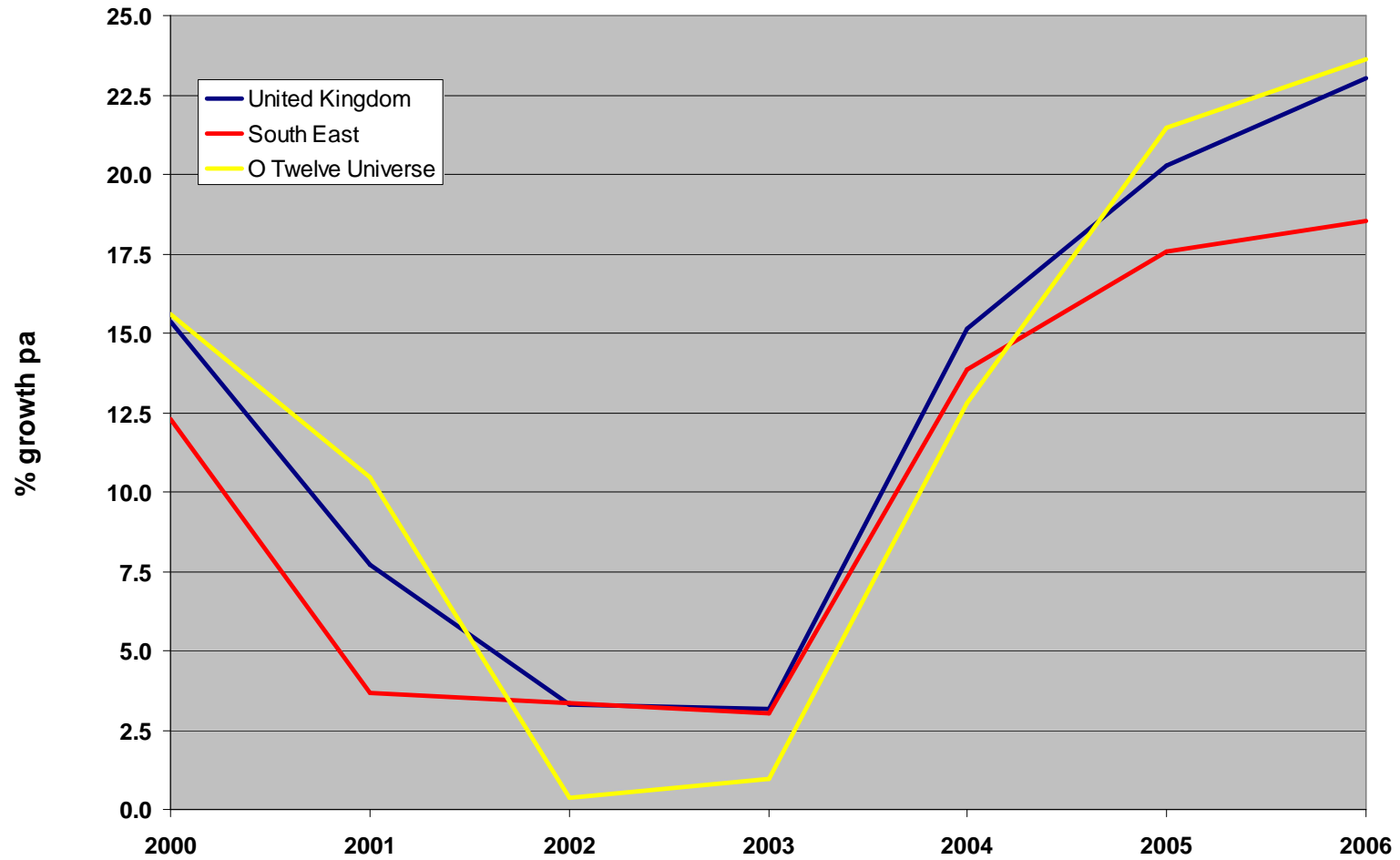
Retail West to East

2006 v 2007



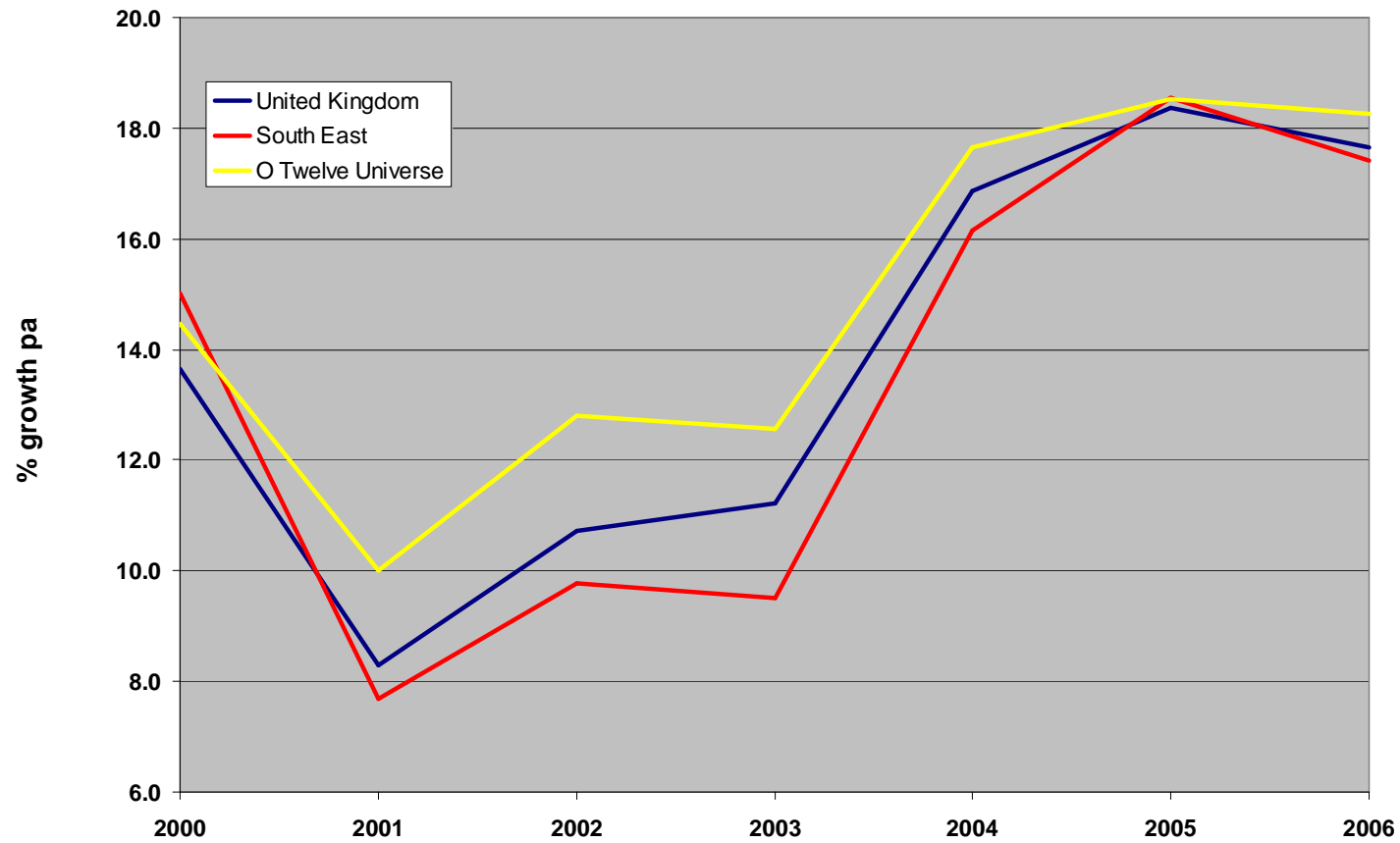
Source: Colliers CRE

Comparisons



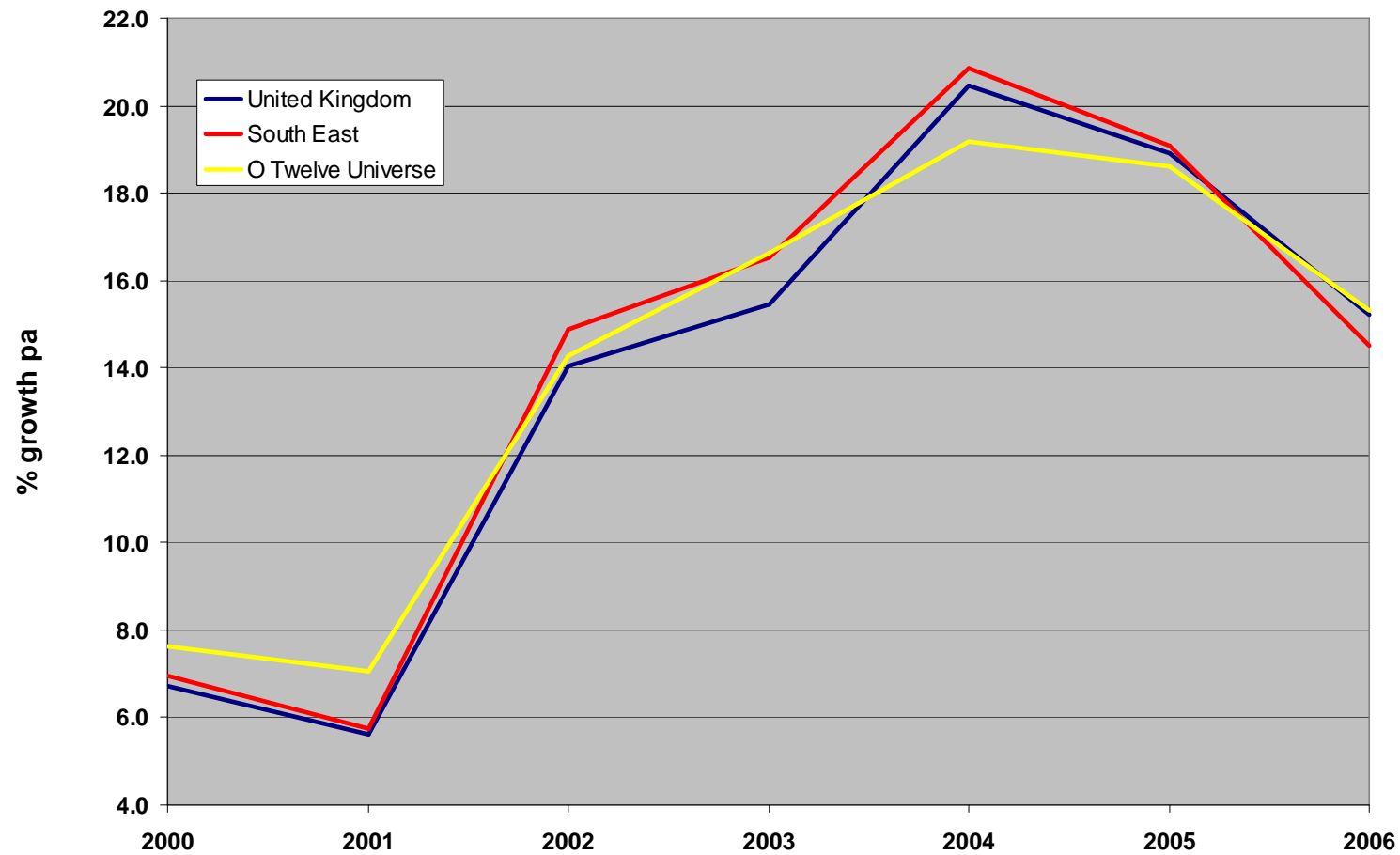
Industrial Total Returns

Comparisons



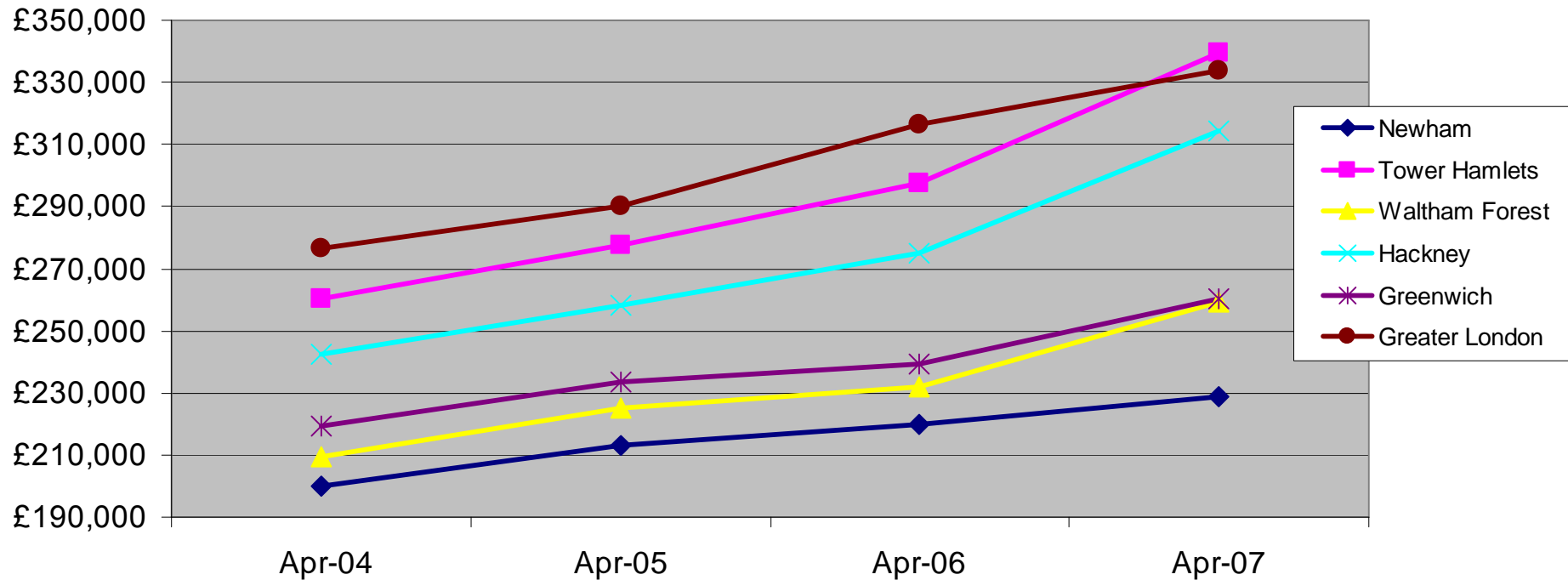
Source: IPD

Comparisons



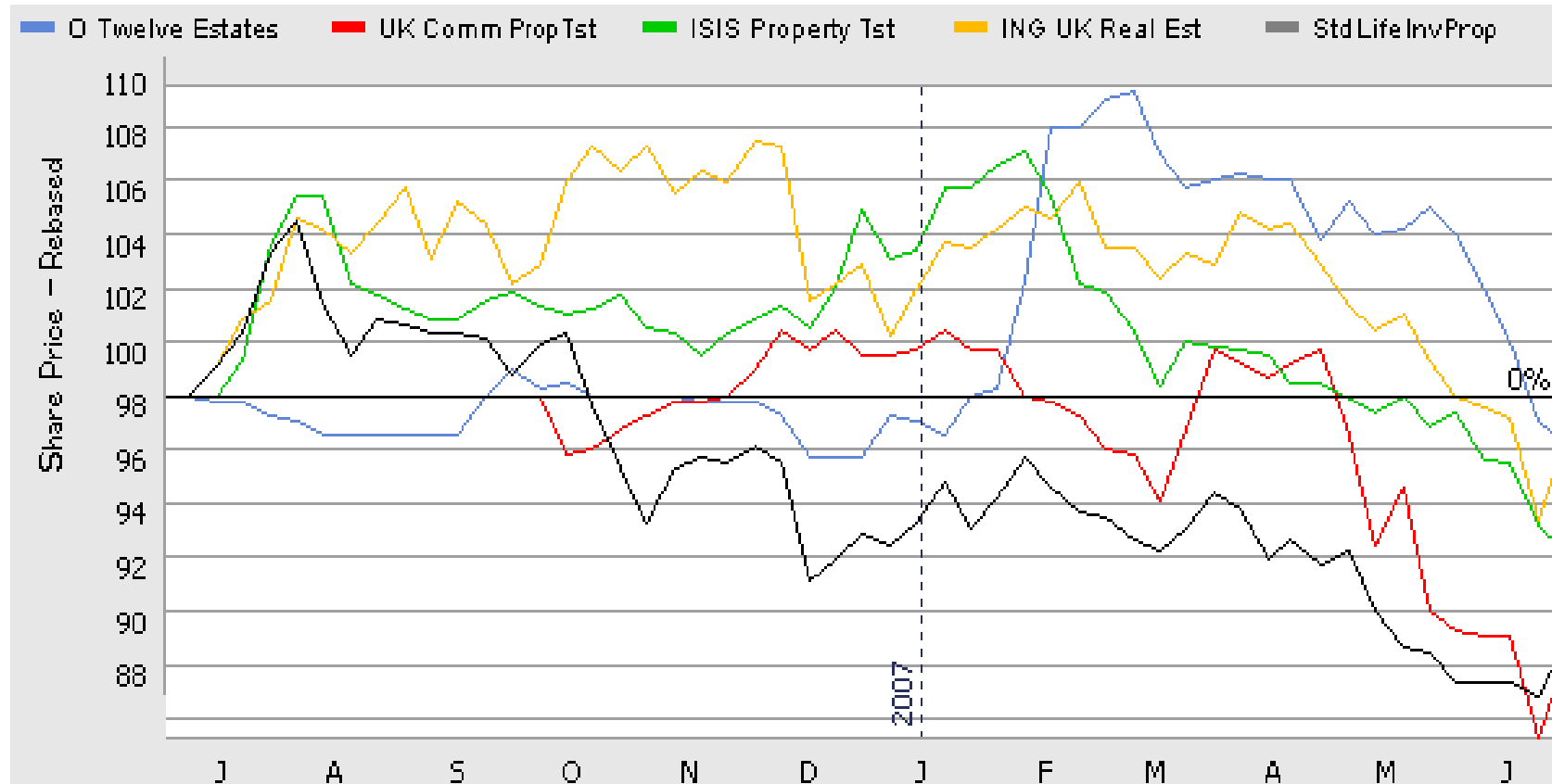
House Prices in Olympic Boroughs

2004-2007



Source: Colliers CRE

Share Price Movement





Shareholders

F & C Asset Management	12.4 %
Threadneedle Asset Management	9.6 %
Aegon	8.4 %
Aberdeen Asset Management	7.7 %
Gartmore Investment Management	7.1 %
Blackrock Investment Management	6.8 %
Collins Stewart	5.5 %
Rugby Estates	3.3 %
Other (mainly institutions)	39.2 %
Total	<hr/> 100.0 % <hr/>

Interests disclosed as at 2 May 2007



Property Advisor



Nomad / Broker

Solomon Taylor & Shaw

Legal Advisor



Property Valuers



Administrator



Legal Advisor



Auditor & Tax Advisor



Financial PR Advisors



And so.....

- **O Twelve Estates has an established and well known brand within the Target Area.**
- **The only eastern focused investment company.**
- **Further value enhancement through ongoing asset management initiatives and area regeneration.**
- **On track to establish a portfolio of over £300 million within the next few months.**



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