



Full Year Results ended 31 December 2010

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Presentation Team

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2010 Year end results presentation agenda

Update on Treveria: Dr. Bernhard Fuhrmann

Financials: Thomas Lämmerhirt

Asset Management: Dr. Bernhard Fuhrmann

Update on Treveria

2010 achievements:

- Centralised team in Frankfurt; added value enhancing functions such as refurbishment and sales team
- Completed major refurbishment in Marl; comprehensive capex programme started
- RETT: relief process with German tax authorities initiated; net write back of €37.4m RETT provision
- Increased adj. NAV per share by 56% (+€119m) to 54.0 cent per share
- Cash flow from operations stayed positive in restructuring year 2010

2011 objectives:

- Obtain loan extensions in Silos D and E; obtain waiver/ loan extension in Silos F/K
- Stabilise rental income
- Achieve business plan targets in Silos D and E esp. regarding investing capex and contracting sales

Strategic goals:

- Establish Treveria as THE German retail property company
- Reduce discount to NAV over time through de-leveraging
- Reduce vacancy through capex

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Financials as at 31 December 2010

incl. Silo C for 7.5 months



Financial highlights I

- Property values as at 31.12.2010 increased by 5.5%: Revaluation gain of €73.5m (2009: €(174.5m)) as a result of market improvement.
- Silo C has been deconsolidated due to the fact that after the banks initiated insolvency proceedings in relation to the German subsidiaries these were begun on 16th August 2010 and as a result Treveria had no longer control of this silo. Gain of this derecognition of €23.1m.
- Gross rent decreased to €124.3m in the period down by €20.7m vs. 2009, mainly caused by deconsolidation of Silo C (€14.3m), the vacancy of 5 C&A properties and other assets in Fürth and Dortmund (€2.8m), as well as new lettings at market rents of previous overrented space.
- Property cost decreased to €29.9m for the period down by €2.3m vs. 2009, due to new lease agreements, significant reduction of insurance costs but offset by increased repairs and costs of facility management, energy/heating and technical services.

Financials as at 31 December 2010

incl. Silo C for 7.5 months



Financial highlights II

- Admin costs slightly decreased to €12.4m (2009: €12.5m) as increased staff costs due to internalization of former management are compensated by significant lower professional and legal costs.
- Provision for RETT has been utilized in the amount of €1.8m and reduced by a further €37.4m and is now €1.0m due to the fact that the RETT is at present not enforceable against the Group in the Isle of Man and as related costs have been deducted as well. However a contingent liability of €32.0m is now shown due to the uncertainty of the outcome of the discussions with German tax authorities and future legislation.
- Profit after tax of €131.4m vs. €(166.5m) in 2009; the shortage in rent is compensated by surplus on revaluation and the gain on derecognition of Silo C €23.1m.
- NAV stands at €284m compared to €174m as at 31 December 2009. Adjusted NAV excludes deferred tax and derivatives and amounts to €328m or 54.0 cent per share.

Balance Sheet

	<i>w/o Silo C</i> 31 December 2010 €'m	<i>incl. Silo C</i> 31 December 2009 €'m
Investment properties	1,412	1,881
<i>Current assets</i>		
Cash and short term deposits	79	128
Other	23	26
Total Assets	1,514	2,035
<i>Current liabilities</i>		
Bank loan	(1,076)	(1,443)
Derivative financial instruments	(24)	(24)
Other	(38)	(94)
	(1,138)	(1,561)
<i>Non current liabilities</i>		
Bank loans	(43)	(248)
Finance lease obligations	(29)	(39)
Other incl. deferred tax	(20)	(10)
Net Assets	284	177
Adjusted NAV per share (€ cent)	54.0	34.6



As at 31 Dec 2010 the Group's free cash balance was €55m, of which €49m was held by the parent Company.

Adjusted NAV per share excludes derivative financial instruments and deferred tax on revaluation surpluses.

Summary of Income statement including Silo C until 16 August 2010



	<i>Year ended 31 December 2010 € 000</i>	<i>Year ended 31 December 2009 € 000</i>
<i>Gross rental Income</i>	124,324	145,073
<i>Direct costs</i>	(29,883)	(32,157)
<i>Gross profit</i>	94,441	112,916
<i>Surplus/(deficit) on revaluation</i>	73,529	(174,464)
<i>Administrative expenses</i>	(12,414)	(12,530)
<i>Operating profit/(loss)</i>	194,459	(72,845)
<i>Net finance costs</i>	(76,545)	(87,175)
<i>Gain of derecognition of subsidiaries</i>	23,140	-
<i>Profit before tax</i>	142,999	(165,053)
<i>Current and deferred tax</i>	(11,601)	(1,424)
<i>Profit after tax</i>	131,398	(166,477)
<i>Non-controlling interests</i>	125	(802)
<i>Total comprehensive income</i>	131,467	(166,477)
<i>EPS (€ cent)</i>	21.64c	(27.45)c

¹ The weighted average number of shares used for EPS calculations is 607 m (2009: 603m).

Admin expenses

	Year ended 31 Dec 2010 €000	Year ended 31 Dec 2009 €000	6 months ended 30 June 2010 €000
Staff costs	4,320	3,057	1,821
Audit fee	429	439	212
Directors' fee and expenses	381	424	257
Bank fees	295	210	146
Net foreign exchange loss(gain)	129	(22)	325
Legal and professional fees and other admin costs	6,860	8,422	4,939
	12,414	12,530	7,700

Staff costs

- Up because of additional staff (average number of persons employed by the group during the year 46 (2009: 26) and redundancy payments because of movement from Düsseldorf to Frankfurt.

Legal and professional fees

- Driven by the costs to setup Treveria infrastructure.

Income statement per Silo

	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Silo D		Silo E		Silo F/K		Silo G		Silo J		Total	
Gross rental income	18,378	20,296	32,642	34,333	40,095	41,320	7,227	6,522	2,210	1,660	100,552	104,105
Direct costs	3,457	2,673	4,772	4,541	7,975	7,227	4,289	4,667	2,177	2,452	22,670	23,850
Gross profit	14,921	17,623	27,870	29,792	32,120	34,093	2,938	1,855	34	792	77,882	80,255
Administrative expenses	763	1,472	207	2,407	959	3,453	287	1,426	141	635	11,654	11,959
Adjusted¹ operating profit	14,158	16,151	27,663	27,385	31,161	30,640	2,651	429	-107	-1,427	66,228	68,296
Net finance costs	11,216	11,414	20,306	20,872	26,517	25,535	2,991	3,439	9	7	60,520	60,905
Adjusted¹ profit before tax	2,942	4,737	7,357	6,513	4,644	5,105	-340	-3,010	-116	-1,434	5,708	7,391
Current tax	-	-	-	-	-	-	-	-	-	-	157	3,431
Adjusted profit after tax	-	-	-	-	-	-	-	-	-	-	5,551	3,960
Adjusted non-controlling interests	-	-	-	-	-	-	-	-	-	-	0	0
Adjusted earnings	-	-	-	-	-	-	-	-	-	-	5,551	3,960
Adjusted¹ EPS (€cent)	-	-	-	-	-	-	-	-	-	-	0,91c	0,66c

1 Adjusted earnings excludes, revaluation movement, profit after tax on disposals of investment properties, deferred tax and movement of derivative financial instruments. The weighted average number of shares used for adjusted EPS calculations is 607m (2009:603m).

Debt Overview I

General:

- Silo C was deconsolidated as from 16 August 2010; Treveria no longer controls this silo.
- Current average blended interest rate inclusive of margin is 5.1% (2009: 4.8%).
- At 31 December 2010, about 7.5% of the Group's loans were at floating rates protected by interest rate caps (2009: 5.5%).
- At 31 December 2010, total bank loans in the Group's four non-recourse debt silos was €1.12bn (2009: €1.15bn; €1.70bn incl. Silo C).

Banking covenants:

- Gross LTV ratio was 80.9% (2009: 86.7%; 92.3% incl. Silo C), against 'cash trap' LTV ratios of between 76% and 85% and 'hard breach' LTV ratios of between 76% and 95%.
- Each facility benefits from sufficient interest cover of between 121% and 192% against 'hard breach' covenants of between 110% and 120%.

Debt Overview II



Silo D (Deutsche Bank/Citigroup, loan € 218.3m; securitised)

- DB / Citi extended the waiver until July 2011 (maturity of loan), because
 - LTV as at 31 December 2010 was higher than LTV as at 30 June 2010 and
 - Treveria injected the required €1.5m into the silo on 28 Feb 2011.
- The Group, together with its debt adviser Rothschild, is in discussions with Deutsche Bank and Citigroup regarding a loan extension until April 2015 and is using a detailed business plan as the basis for their negotiations.
- Repayment due July 2011.

Silo E (ABN Amro, loan €428.0m; securitised)

- Silo is not cash trapped.
- Together with its debt adviser Rothschild, the Group is in ongoing discussions with the servicer Hatfield Philips about a loan extension until October 2014, on the basis of a detailed business plan.
- Repayment due July 2011.

Debt Overview III

Silo F/K (Eurohypo, loan €433.3m; sole lender)

- Eurohypo is the only lender with a cross-silo default right, which allows the lender to accelerate the loan in the event of an acceleration of another loan. Eurohypo waived this right in return for an increased interest margin until April 2011.
- Trapped cash can be partly used to fund capex.
- Repayment due July 2012.

Silo G (JP Morgan, loan €43.7m; syndicated loan)

- Performing loan.
- Repayment due November 2012.

Silo J (no debt, mortgage or charge)

- Eight properties with a value of €13.2m.

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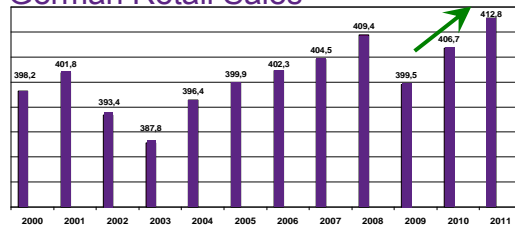
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Treveria will benefit from market improvement

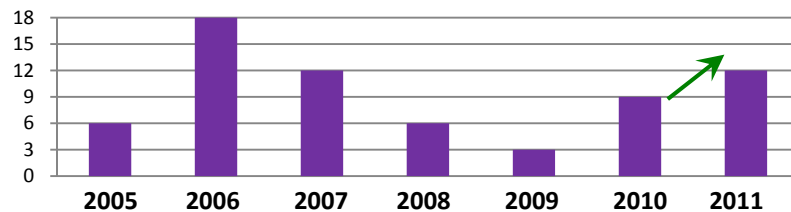
German Retail Sales



- German economy benefits from relatively low unemployment rate
- Online sales account for ca. 50% of the retail sales increase. But: Major online products (travel, books) don't negatively effect Treveria lettings

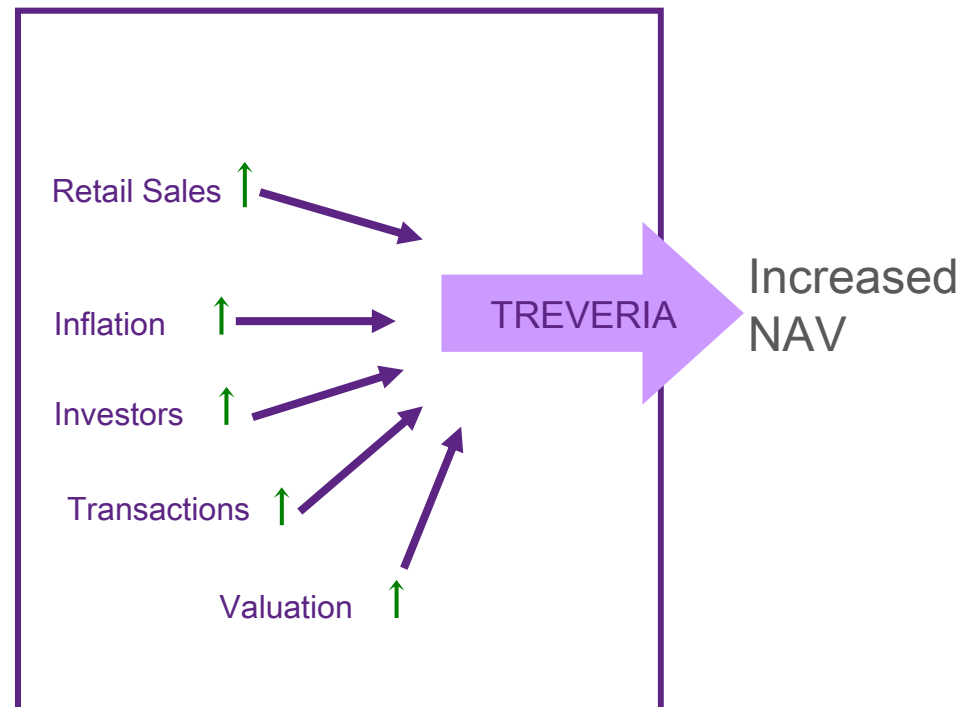
German commercial real estate transactions

Transactionvolume in bn. Euro



- German real estate ranks first in surveys on future investors' activities
- Retail is preferred asset category
- In 2010 more retail than office transactions were carried out

Market development



Letting activities I

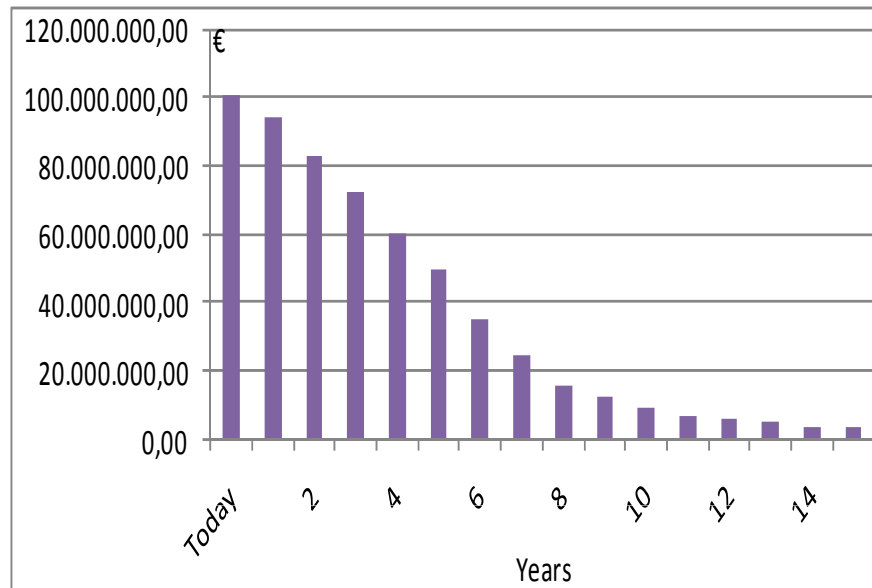
	<u>Leases signed</u>		<u>Annual rent</u>	
	2010	2009	2010	2009
Total new leases	299	293	€14.5m	€9.4m
Indexation uplift	146	127	€0.33m	€0.23m

Year-end 2010						
Use	Count	Vacant Area	% of total Area	% from	Total Use	
Retail	130	40,574	26.1%	3.8%	5.3%	768,506 m ²
Leisure / Gastronomy	16	4,452	2.9%	0.4%	27.0%	16,473 m ²
Office / Medical Practice	68	10,095	6.5%	1.0%	28.3%	35,651 m ²
Storage	65	6,169	4.0%	0.6%	20.5%	30,146 m ²
Residential	170	12,289	7.9%	1.2%	28.3%	43,444 m ²
Others	70	2,702	1.7%	0.3%	21.1%	12,832 m ²
Developments	64	79,190	50.9%	7.5%	51.6%	153,362 m ²
TOTAL	583	155,472	100.0%	14.66%	14.66%	1,060,14 m ²

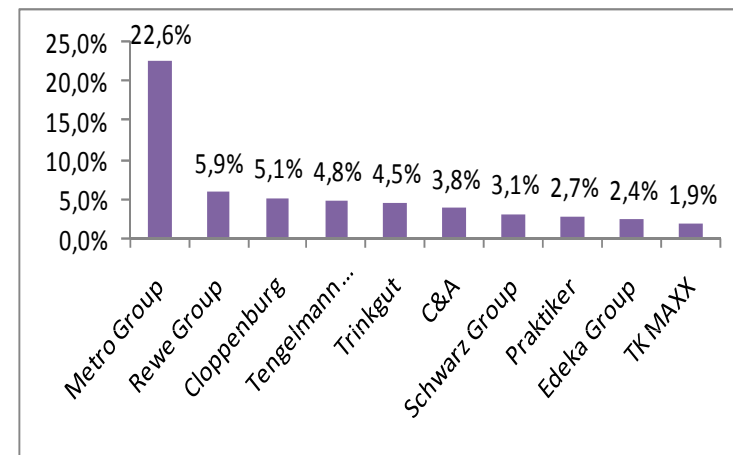
- Vacant space increased in Dec 2010 to 14.7% (2009: 12.7%) mainly due to C&A vacancies. There was a reduction in HY2/2010 from 17% as at 30 June 2010.
- 50% of current vacant space within a refurbishment programme.
- ERV of vacant space at 10.2% down from 10.8% vs 30 June 2010 and up from 7.9% since 31 Dec 2009.

Letting activities II

Weighted Average Lease Length
31 Dec 2010 = 5.0 Years
(31 Dec 2009 = 5.14 Years)



Top 10 Tenant Groups
(% of rental income)



Strategy and Outlook

- €15m – €20m in capital expenditure programme will increase value.
- Free cash to match capex is expected to be sourced from property sales.
- The active asset management should reduce the LTV of all Silos from currently 81% to 65% in 2014.

