



David Tye – Executive Chairman

Andrew Wilson – Chief Executive

Steve Jones – Finance Director

# Our Corporate Vision

31 January 2008

Continues to be focussed on our two complementary businesses and their further expansion. These are direct property investment on our own balance sheet and our co-investment/asset management initiatives. Our objective is to achieve sustained growth in both dividends and net assets per share. We will realise this both through growing our existing businesses and through implementing fresh corporate and property initiatives.

rugbyCapital



ram  
rugby asset management

**2007**





**2008**

## Two Distinct but Complementary Businesses

rugbyCapital

- Property Trading
- Planning/Development



ram  
rugby asset management

- Co-investment (equity)
- Asset Management (fees)

# 2007-2008 In Review

31 January 2008

- Pre tax, pre exceptional profit £9.8m (2007 - £10.2m)
- Triple net assets per share - 498p (2007 – 506p restated)
- Annual dividend up 10% at 12.50p per share, following a 100% increase in 2006/2007 and 10 previous yearly increases of 10%
- Exceptional item – impairment loss of £3.989m, £800k if taken on the estimated value of the underlying net assets
- Fee income up 350% over the last 2 years at £4.0m, and 50% over the last year
- Gearing – 0%, net cash balances £10m post year end
- IPD outperformance

# 2007-2008 In Review

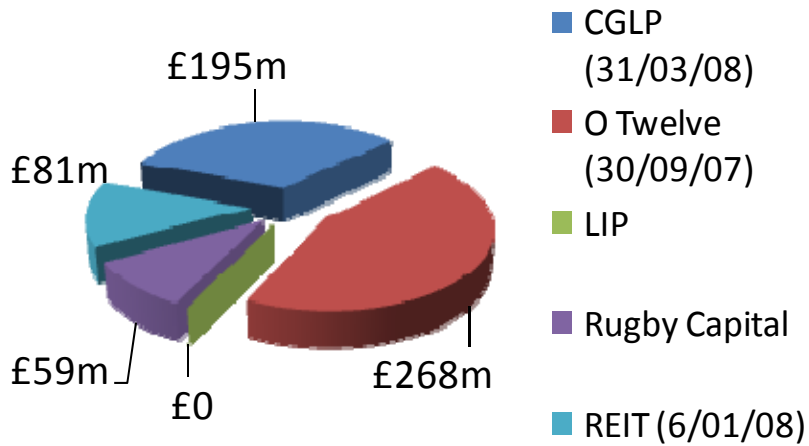
31 January 2008

- Rugby Capital transactions - £56m
- Portfolio return 12% (directly owned)
- Share of property portfolios held in co-investment vehicles - £34m
- Rugby Asset Management - £550m under management
- ING Covent Garden Limited Partnership – 2<sup>nd</sup> best performing specialist vehicle
- O Twelve Estates Limited fully invested
- London Industrial Partnership liquidated
- Rugby Estates Investment Trust Plc floated
- Overall – Acquisitions £219m, Sales £82m, 35 transactions

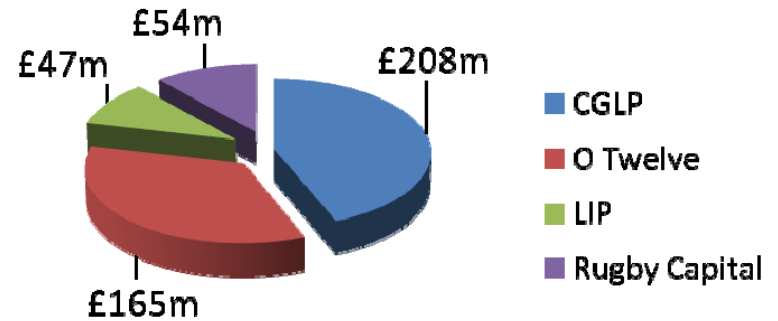
# Assets Under Management

31 January 2008

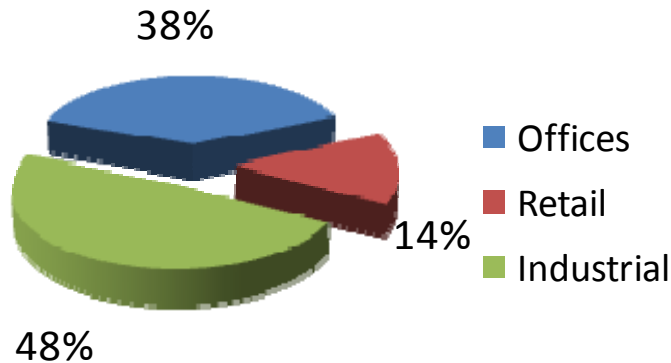
**31 Jan 2008 £602m**



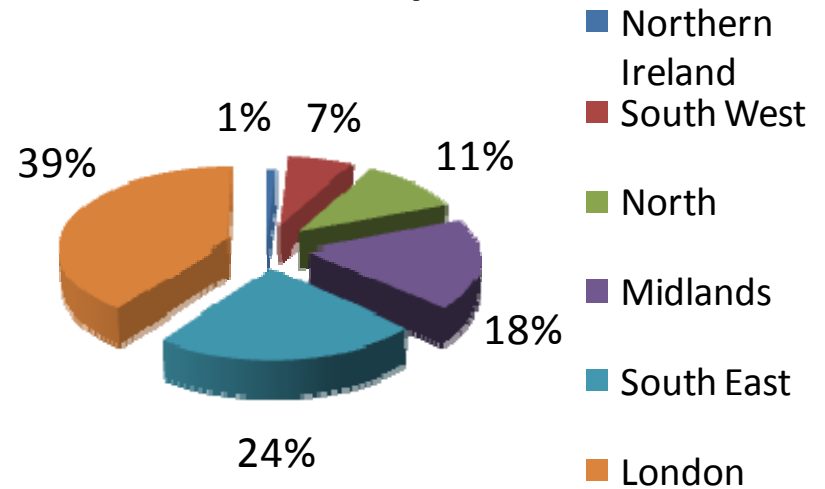
**31 Jan 2007 £474m**



## Sector (By ERV)



## Location (By Capital Value)



rugbyCapital

## Acquisitions - £26m

10 Properties acquired:

- **Industrial/Trade Counter**
  - Cranleigh
  - Bridgwater
  - Leeds
  - Harlow
  - South East London
- **Office**
  - Bath
- **Mixed Use**
  - Maidenhead
  - Stratford
- **Planning/Development**
  - Chelmsford
  - Birmingham

## Sales - £30m

7 Properties Sold:

- **Industrial/Trade Counter**
  - South West, London
  - Fleet
- **Office**
  - Reading
- **Mixed Use**
  - Oxford
- **Planning/Development**
  - South West London
  - Maidenhead
  - Birmingham (part)

# Acquisition - Cranleigh

31 January 2008

- Development completed
- 15,000sq ft on 1.5 acres
- Let to Jewson Ltd for 25 years
- Rent - £139,890pa
- Income return on cost – 6.75%



# Acquisition – Birstall, Leeds

31 January 2008

- Located at M62/M621 Junction South of Leeds
- 130,000sq ft in 14 industrial units let to 5 tenants
- Income returns - 7.4%, increasing to c.7.7% in 2008
- 65% income secured for over 7 years



# Acquisition – Harlow

31 January 2008

- Estate located in established industrial area
- 31,000sq ft in 6 units, 1 vacant
- Income return – 6.66%  
increasing to circa. 8.0%
- Lease expiries 2011 to 2017
- Refurbishment initiated



# Acquisition – Chelmsford

31 January 2008

- “Gateway” location
- 1.3 acre site
- Food store allocation in submission AAP
- Terms being progressed with Waitrose and adjoining landowner for a 40,000sq ft store
- Planning application to be made



# Acquisition – Bath

31 January 2008

- Central location
- 2 storey office building in a 4 storey, residential location
- 8,500sq ft of air conditioned offices, well let
- Income return - 6.0%



# Acquisition – Maidenhead *(Post Year End)* 31 January 2008

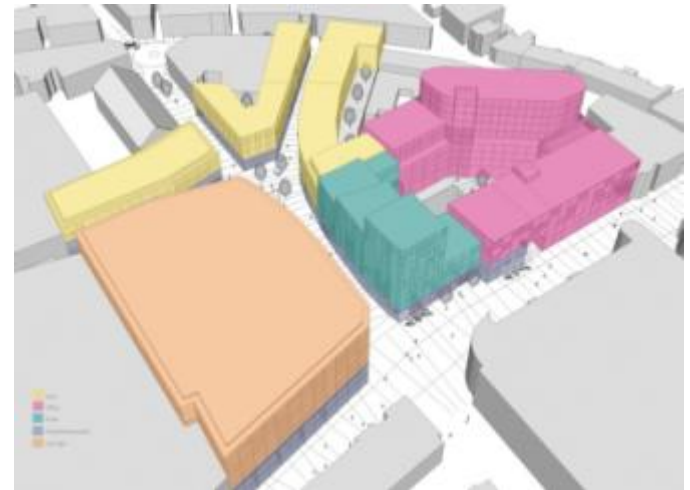
- Located opposite landholding recently sold
- 6,000sq ft offices, 5 retail units, 10 flats
- Low average passing rents of £24psf zone A and £14.50psf for the offices
- Income return – 8.13% increasing to reversionary yield of c.9.35%



# Sold - Maidenhead

31 January 2008

- Queen Street site (0.55 acres) acquired from Jewson November 2006
- Melton Court site (1.05 acres) acquired from ING January 2007
- Planning consent obtained on Queen Street site August 2007 for 50 flats and 11,000sq ft of commercial
- Masterplan developed with Council for over 400,000sq ft mixed use scheme
- Sold for £14.95m; Profit - £4.8m



# Sold – London (Putney, SW15)

31 January 2008

- Prominent location at junction of Deodar Road and Putney Bridge Road
- Acquired without planning consent
- Planning consent for development for 12 apartments, 2 houses and 5 commercial units
- Site sold for £5.5m; Profit - £1.5m
- Joint venture with London & Newcastle



# Sold – Fleet

31 January 2008

- Central location
- Trade Counter
- 7,051sq ft on 0.81acres
- Let to Jewson Ltd for 17 years unexpired at £38,724pa
- Sold for £950,000: Profit - £450,000



# Sold – London (Fulham, SW6)

31 January 2008

- 17,620sq ft on 0.75acres
- Trade Counter
- Let to Jewson Ltd for 17 years unexpired at £106,060pa
- Sold for over £5m: profit £4m



# Sold – Headington, Oxford

31 January 2008

- Mixed investment acquired in 2005
- Income return at purchase – 7.25%, reversionary
- Sold after office and retail reviews completed
- Sold for £1.375m: Profit - £275,000



# Maidenhead United Football Club

31 January 2008

- 3 ½ acres on edge of town centre
- Council identified major redevelopment opportunity
- Lock out agreement with the football club
- Relocation and redevelopment options to be explored



# Summary

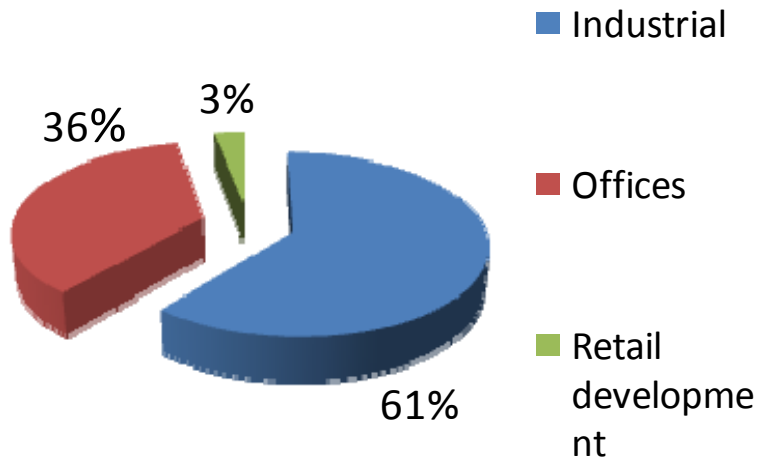
31 January 2008

- Acquisitions - £26m, sales £30m
- Market value of directly owned portfolio - £59m (2007: £54m)
- Initial yield on income producing acquisitions 6.5%, reversionary yield, 7.6%
- Retained portfolio – income return, 6.2%, reversionary return, 7.2%
- 50% of portfolio acquired in 2007/2008
- Ungeared total return: 12% (IPD: minus 2.7%)

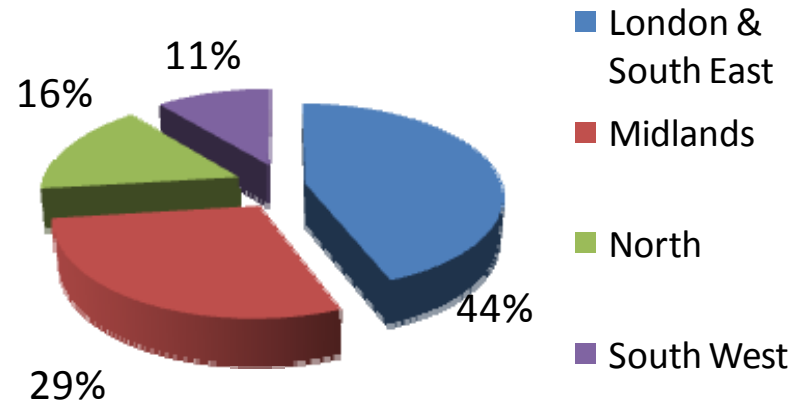
# Portfolio Analysis

31 January 2008

Sector (By ERV)



Location (By Capital value - £59m)





- ING Covent Garden Limited Partnership
  - £5m initial investment – 6.46%
  - Initial term to March 2009
- London Industrial Partnership Limited
  - £2m initial investment – 11.76%
  - Now dormant
- O Twelve Estates Limited
  - £4m initial investment – 3.3%
  - Now £5m – 5.46%
- Rugby Estates Investment Trust Plc
  - £5m – now 8.47% (was 9.99%)

- Fee income increased by 50% to £4m
- £193m of acquisitions
- Exceptional charge against profit of £4m as share price of REIT plc and O Twelve Estates was below book cost, although unrealised
- Share in net assets of REIT plc and O Twelve Estates reduced by circa £800k
- Value of investment in CGLP - £6.7m

# ING Covent Garden



# Limited Partnership

- Portfolio value - £214m (Dec 2007) £195m (March 2008)
- Rugby share of net assets – 6.46%
- Since inception total return of 14.5% pa to December 2007
- No disposals or acquisitions in the year
- 12 properties comprising 290,000sq ft of accommodation
- 86 tenancies
- St Martins Lane: Development completion June 2009

- Average office rental value - £48psf
- Average capital value - £742psf
- Net equivalent yield – approx. 5.1%
- ERV growth over 12 months - 17%
- Voids excluding St Martin's Lane – 5.6%
- Fees 2007 - £511,000
- Distribution income 2007 £109,000
- As at March 2008 our 6.46% share of the portfolio value was £12.6m

Fund performance (%)	1 year*	3 years*	Fund performance (%)	3 years*
<b>All Balanced Funds Index</b>	Ranked over 1 year		<b>Specialist vehicles</b>	Ranked over 3 yrs
Cordea Savills Student Hall Fund	20.2	-	West End of London Property Unit Trust	33.4
West End of London Property Unit Trust	14.9	33.4	<b>ING CGLP</b>	<b>26.7</b>
UNITE Student Accommodation Fund	13	-	<b>ING Central London Unit Trust</b>	<b>21.8</b>
The Residential PUT	6.7	4.9	The Leisure Fund LP	21
UBS South East Recovery Fund	6.4	21	UBS South East Recovery Fund	21
RREEFF UK Office Property Fund	3.2	15.5	Henderson Central London Office Fund	18.7
<b>ING CGLP</b>	<b>2.3</b>	<b>26.7</b>	The X-Leisure Unit Trust	17.4
RREEFF UK Industrial Property Fund	2	12.1	Ashtenne Industrial Fund	15.7
Airport Industrial PUT	1.6	-	RREEFF UK Office Property Fund	15.5
Henderson Central London Office Fund	1.3	18.7	Retail Plus Property Trust	14.5
The Lend Lease Retail Partnership	0.8	9.3	Arlington Business Parks Partnership	13.8
Schroder Emerging Retail PUT	-0.6	8.1	Industrial Property Investment Fund	13.1
The Leisure Fund LP	-0.7	21	Regent Retail Parks Trust	12.5
Henderson UK Shop Fund	-0.8	11.8	ING Retail Property Fund Britannica	12.2
<b>ING Central London Unit Trust</b>	<b>-2.3</b>	<b>21.8</b>	RREEFF UK Industrial Property Fund	12.1
The X-Leisure Unit Trust	-2.4	17.4	Henderson UK Shop Fund	11.8
Industrial Property Investment Fund	-2.7	13.1	Hercules Unit Trust	11.2
Standard Life Shopping Centre Trust	-2.7	-	The Lend Lease Overgate Partnership	9.9
The Lend Lease Overgate Partnership	-3	9.9	Henderson UK Shopping Centre Fund	9.8
Ashtenne Industrial Fund	-3.6	15.7	The Mall Fund	9.8
Henderson UK Shopping Centre Fund	-4.5	9.8	The Lend Lease Retail Partnership	9.3
Regent Retail Parks Trust	-4.8	12.5	Falcon Property Trust	8.3
Retail Plus Property Trust	-5.3	14.5	Schroder Emerging Retail PUT	8.1
APIA Regional Office Fund	-5.3	-	Henderson UK Retail Warehouse fund	7.3
The Industrial Trust	-6.3	6.9	The Industrial Trust	6.9
Falcon Property Trust	-7.5	8.3	The Residential PUT	4.9
ING Retail Property Fund Britannica	-10.6	12.2	RREEFF (No Suggestions) Retail Property Fund	3.8
Standard Life Retail Park Fund	-11.6	-	The Junction Fund	1.6
The UK Logistics Fund	-12.9	-		
The Mall Fund	-13.2	9.8		
Arlington Business Parks Partnership	-16.3	13.8		
RREEFF (No Suggestions) Retail Property Fund	-16.6	3.8		
Hercules Unit Trust	-17.3	11.2		
Henderson UK Retail Warehouse fund	-20.5	7.3		
The Junction Fund	-33.7	1.6		

# ING Covent Garden Limited Partnership

31 January 2008

Strand/Agar Street/Bedford Street



St Martins Lane

Strand

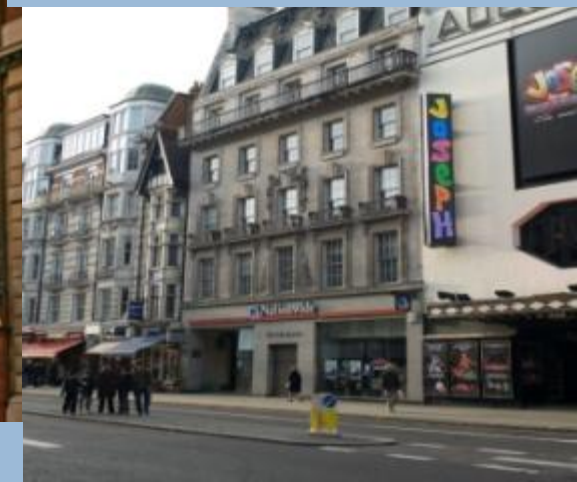


Strand/Southampton Street



Southampton Street

Strand





# London Industrial Partnership

31 January 2008

- Industrial property within M25
- Partners
  - Bank of Scotland
  - Merrill Lynch Global Principal Investments
- Enfield
  - 425,000sq ft of industrial accommodation
  - Planning for 100,000sq ft industrial scheme
  - Ownership sold
- Fees 2007: £246,000
- Distribution income 2007: £186,000 (£45,000 interims & £141,000 dividend)
- 48% return on Rugby investment (including management fees)



# London Industrial Partnership

31 January 2008



Ponders End Industrial Estate, Enfield



**otwelve estates**

[www.otwelveestates.co.uk](http://www.otwelveestates.co.uk)

# O Twelve Estates Ltd

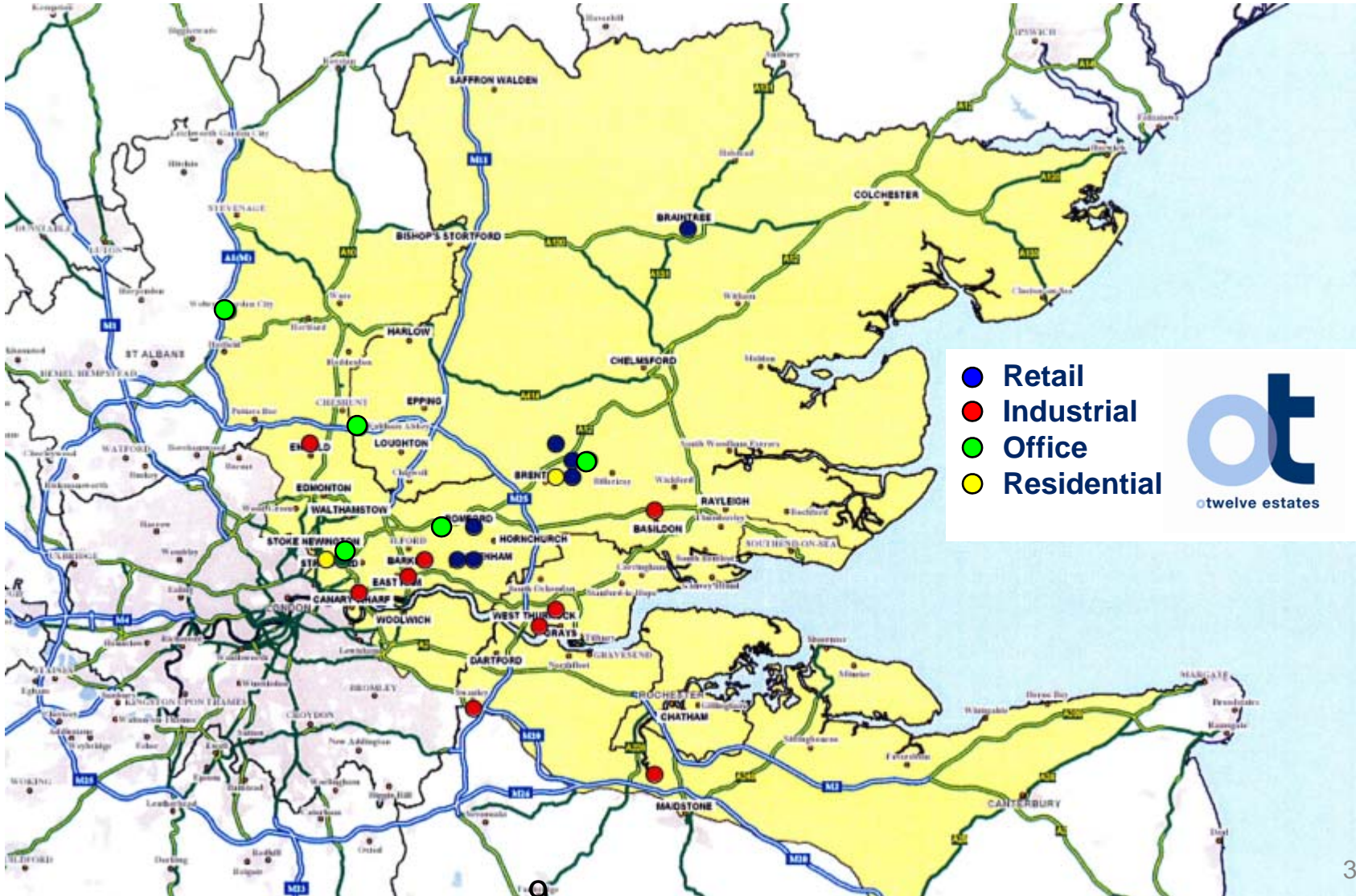
31 January 2008

- AIM listed Guernsey company
- Raised £122m in March 2006
- Target area – East London & neighbouring counties
- Acquisitions to Jan 2008 - £272m (CBRE valuation as at September 2007 or purchase price if later) in 23 properties with 183 tenancies
- Year End 31<sup>st</sup> March – reporting July
- Fees 2007: £2,200,000
- Distribution income 2007: £40,000
- As at September 2007 our 5.46% share of the portfolio value was £14.6m



# Portfolio location in target area

31 January 2008



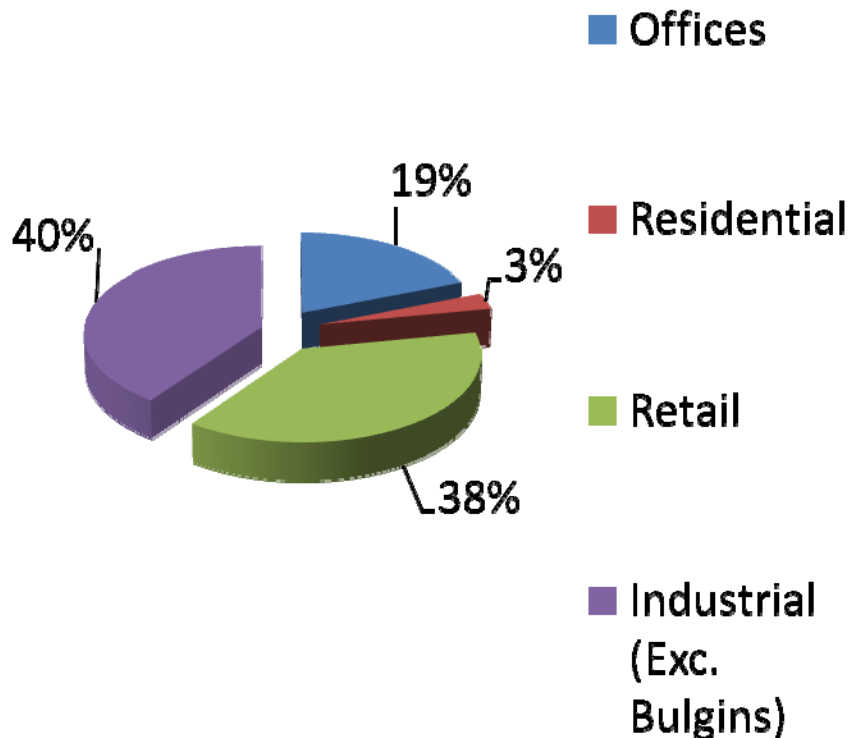
# Half Year Financial Review

31 January 2008

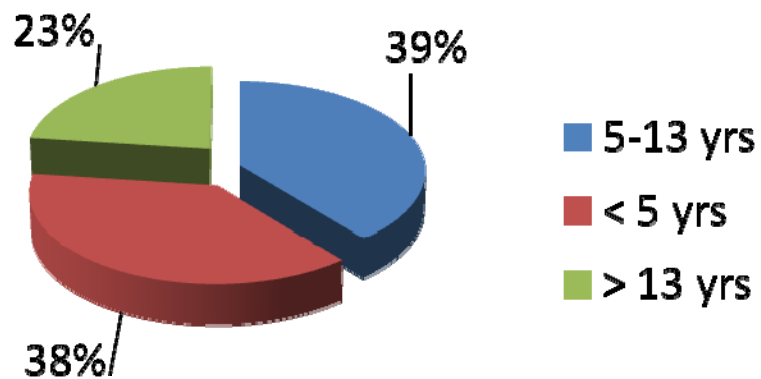
- Half year – 30<sup>th</sup> September 2007
- Operational gain of £1.1m before unrealised valuation adjustments
- Net assets per share 89p
- CBRE's valuation - £267.57m
- Purchase price of properties £264.8m + Capex of £1.2m
- Dividend: 0.5p per share



## Sector Split by Value



## Income Expiry Profile



# O Twelve Estates Ltd

31 January 2008

Brentwood



Waltham Cross



Barking

Thurrock



Braintree

Stratford, E16

Romford



Rugby Estates Investment Trust Plc

[www.rugbyreit.co.uk](http://www.rugbyreit.co.uk)



- Main market listing – May 2008
- Raised £50m on blind fund raising
- Accessing £50bn private market
- Diversified by location, sector, capital lot size
- Limited competition if any
- NAV non dilutive
- First results recently announced for period ended 6<sup>th</sup> Jan 2008
- Fees 2007: £882,000
- First income distribution for half year end: 30<sup>th</sup> June 2008
- As at January 2008, our 8.47% share of the portfolio value was £6.9m

- £81m investment property portfolio assembled through three corporate acquisitions post flotation
- 8.3m additional shares issued as part of the consideration in two of the corporate acquisitions
- Profit after tax: £5.0m
- Tax credit of £8.1m
- 2% conversion charge: £1.6m. Tax saving: £10m
- NAPS: 98p (on flotation 95p)
- Net assets: £58.8m (on flotation £47.5m)



# Portfolio Review

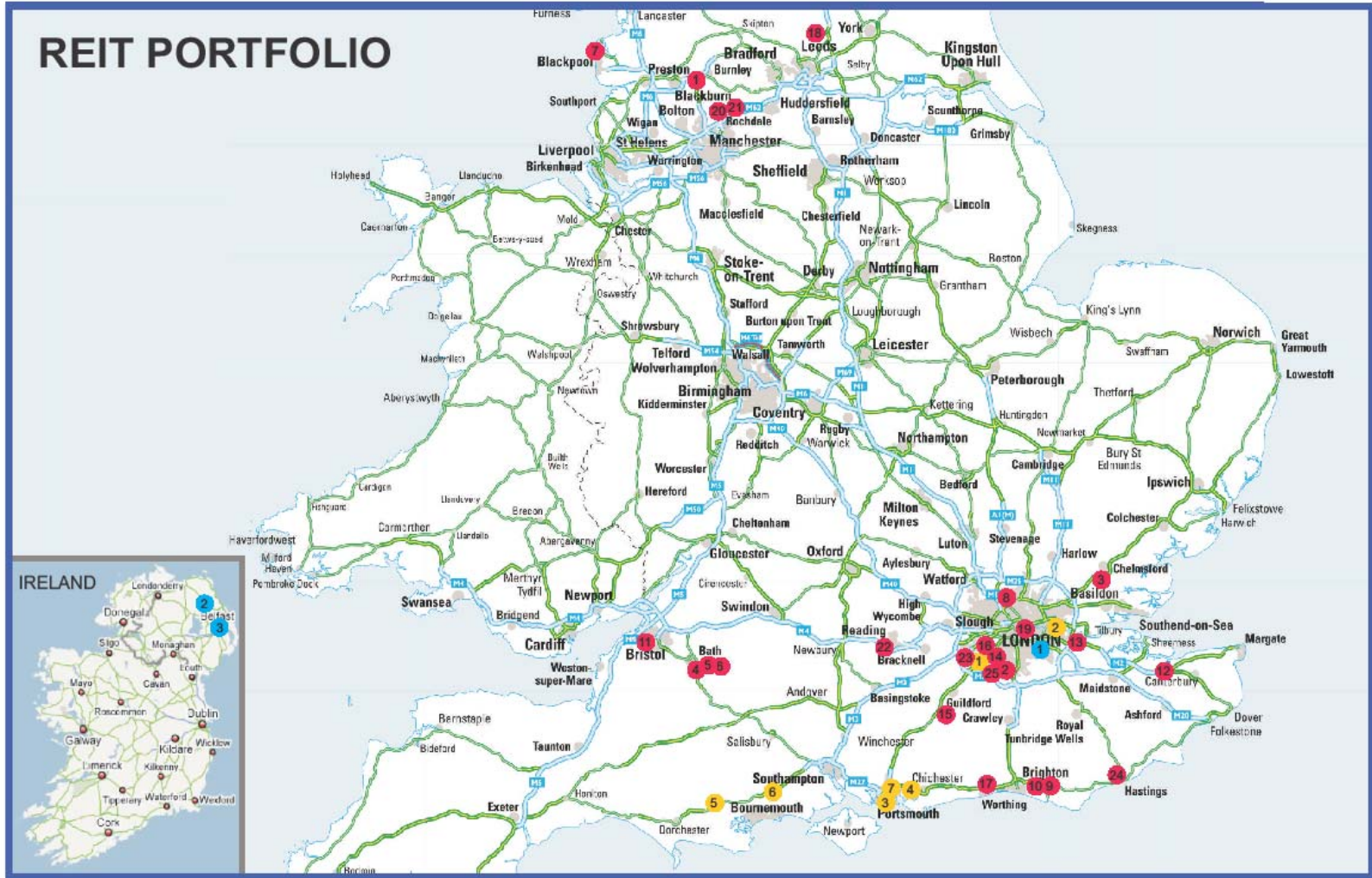
31 January 2008

- 34 properties, 121 tenants occupying 132 units
- Contracted rent: £4.6m pa. Estimated rental value: £5.4m pa
- CBRE valuation: £81.0m
- Net initial yield: 5.25%, net reversionary yield: 6.2%
- Net initial yield after lettings in solicitors hands conclude: 5.60%
- Total floor area: 406,000sq ft.
- Voids: 4% by ERV of portfolio. 1.3% on completion of agreed lettings
- 45% of the rental income is from leases with more than 5 years to expiry



# Portfolio Location

31 January 2008



# Rugby Estates Investment Trust Plc

31 January 2008



Stratford, E16



Leeds



Austin Friars, EC4



Reading



Epsom

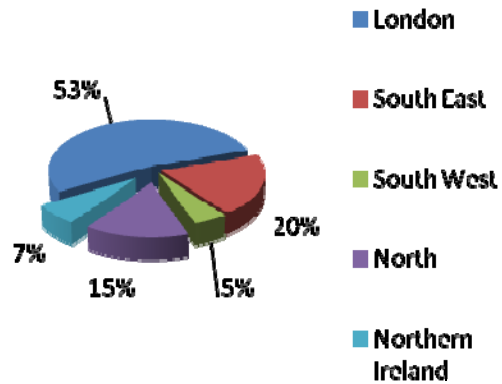


Kingston upon Thames

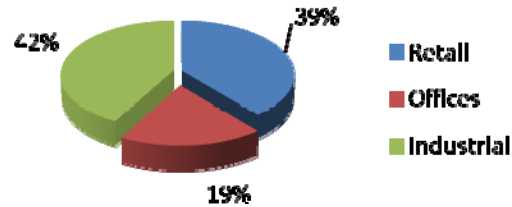
# Portfolio Analysis

31 January 2008

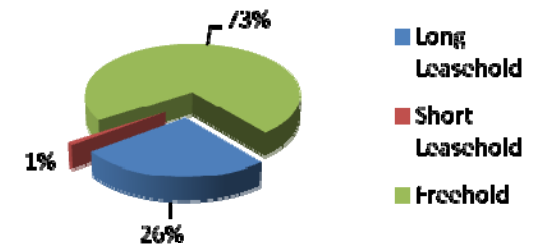
**Capital Value by Location**



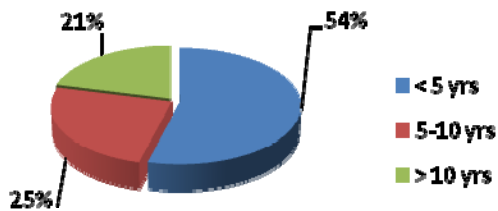
**Sector Split by Value**



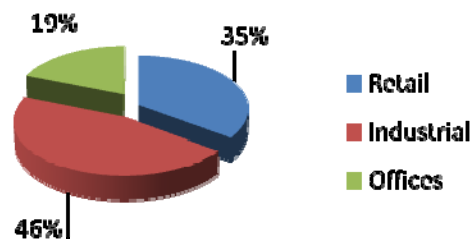
**Value by Tenure**



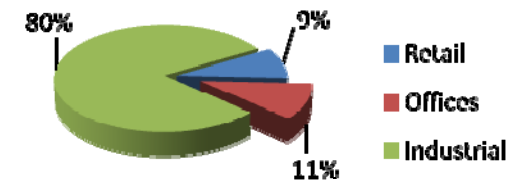
**Income Expiry Profile**



**ERV by Sector**



**Floor Area by Sector**



# Summary

31 January 2008

	CGLP	LIP	OTE	REIT Plc	Total
No. Of Properties	12	-	23	34	69
Capital Value (£m) (March/Sept/Jan)	195	-	272	81	548
Rental Income (£m)	9.0	-	14.2	4.6	27.8
ERV (£m)	14	-	17.5	5.4	36.9
No. Of Tenants	86	-	183	121	390
Value of Rugby's Investment (£m)	6.7	-	2.9	3.1	12.7
Rugby's Cash Investment (£m)	5	-	5	5	15
Share of portfolio value (£m)	12.6	-	14.6	6.9	34.1
Fee Income (£)	511,000	246,000	2,200,000	882,000	3,839,000
Distributions/Interest Received (£m) in current year	109,000	186,000	40,000	0	335,000



**rugby estates plc**

[www.rugbyestates.plc.uk](http://www.rugbyestates.plc.uk)

# Financing

31 January 2008

	31 January 2008	16 April 2008
Cash £m	15.1	25.1
Borrowings £m	(15.1)	(15.1)
Net Cash £m	-	10.0

# Shareholders

31 January 2008

Shareholder	Percentage %
Directors	17.95
KBC Peel Hunt Limited	18.91
Aberdeen Asset Management Plc	8.79
Prudential Plc	7.99
Thames River Capital LLP	5.92
Gartmore Investments Ltd	4.97
Trefick Ltd	4.94
F&C Asset Management Plc	3.59
<b>Total</b>	<b>73.06</b>

# Search for value

31 January 2008



- Rugby Capital
  - Firepower
  - Selective acquisitions
  - Timely disposals
  - Joint ventures
- Rugby Asset Management
  - Growth of existing mandates
  - New mandates



# Contact

31 January 2008

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