



Notice to the Stock Exchange no. 27

Hypo Treuhand Holding AG

OMX Copenhagen Stock Exchange A/S

Stockholm, February 28, 2011

**Preliminary announcement of financial statements for Q1-Q4 2010  
Hypo Treuhand Holding AG**

**Company details**

Hypo Treuhand Holding AG

Westenhellweg 85-89  
D-44137 Dortmund  
Federal Republic of Germany

Telephone: +49 231 533 876 0

Fax: +49 231 533 876 20

[hypo@hypotreuhand.de](mailto:hypo@hypotreuhand.de)

**Central Business**

Registration no. HRB 20036

Established: November 8, 2006

Registered in: Dortmund

**Supervisory Board**

Roland Richter (Chairman)

Anne Benjert

Mikael Glahns

**Executive Board**

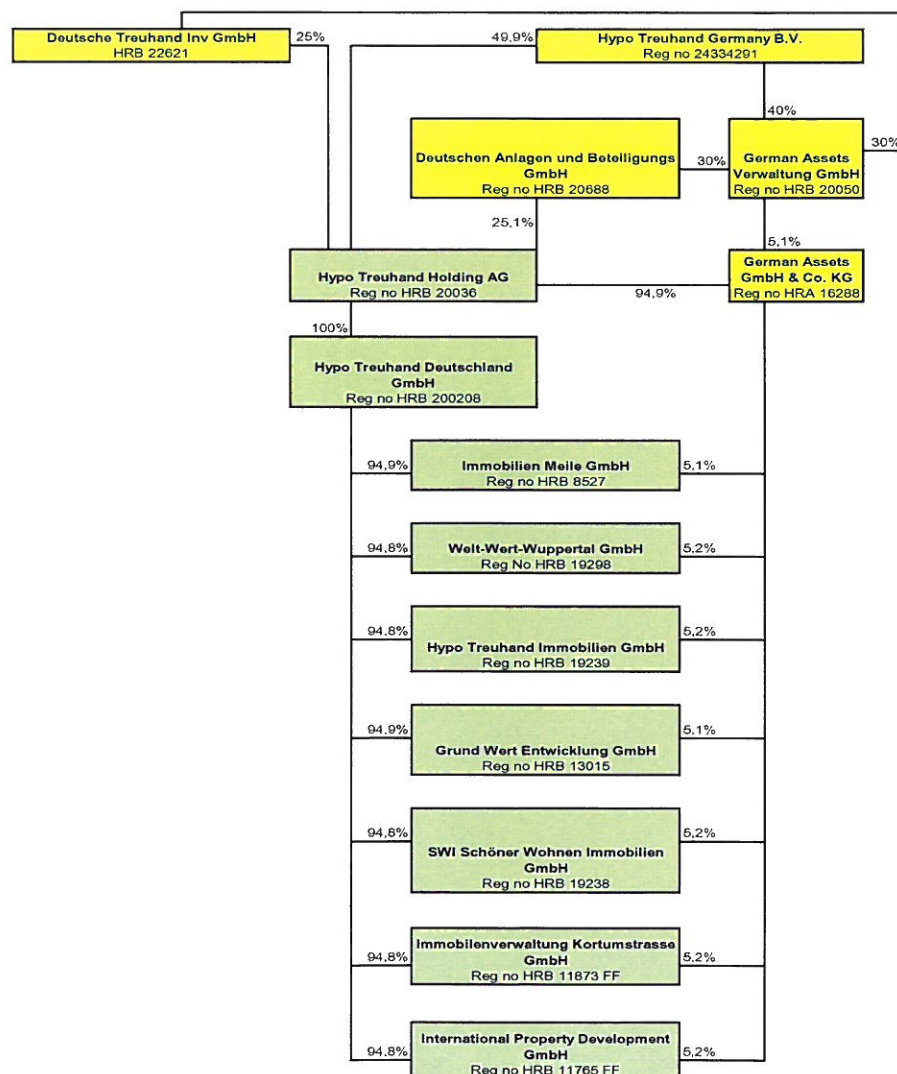
Stefan Bußfeld

**Please contact Morten Gustafsson (+45 26 14 76 04) for inquiries regarding this announcement.**



## Group structure

The structure of Hypo Treuhand group consists of the superordinated Hypo Treuhand Holding AG owned by Hypo Treuhand Germany B.V. (49,9%), Deutsche Treuhand Investment GmbH (25%) and Deutschen Anlagen und Beteiligungs GmbH (25,1%). Hypo Treuhand Deutschland GmbH is acting as an intermediate holding company. The operative transactions are assumed by the seven subsidiaries active at the next level. Hypo Treuhand Holding AG and its subsidiaries are jointly referred to as the “Hypo Treuhand Group”. Hypo Treuhand Holding AG is responsible for the business policy, the fundamental operative orientation and the strategic management of the Group. Hypo Treuhand Holding AG owns 34 properties (the ”Properties”) through its subsidiaries. All Properties and subsidiaries are located in Germany.





## Summary

- The overall performance for the period January 1 to December 31, 2010 amounted to EUR -3.618.490 (*15.467.268\**).
- The consolidated earnings of the Hypo Treuhand Group for the period January 1 to December 31, 2010 amounted to EUR -19.529.921 (*200.008*).
- The total Property value according to IFRS standards is EUR 130.400.000 (*145.640.000*) for the Properties.

## Income statement

The overall performance for the period January 1 to December 31, 2010 amounted to EUR -3.618.490 (*15.467.268*), of which EUR -15.240.000 originates from unrealized change in the market value of the investment properties. The increase in unfinished services (*Nebenkosten*) amounted to EUR 109.408 (*144.199*) and other income amounted to EUR 149.373 (*180.271*). Other operational costs such as services received amounted to EUR 3.483.401 (*3.926.790*).

Furthermore, the depreciation of intangible assets and equipment amounted to EUR 5.914.838 resulting in earnings before financial items and taxes (EBIDA) of EUR -14.608.694 (*8.656.363*). The Group's profit for the period after financial items and before deferred taxation amounted to EUR -21.742.190 (*1.185.398*).

## New valuation of the Properties

DTZ Germany has on November 18, 2010 made a new valuation of the Properties. According to this valuation the market value based on an ordinary sale of the Properties amounts to EUR 130.400.000. This is EUR 15.240.000 lower than the latest valuation made in 2008. The total debt to Senior and Junior banks as of December 31, 2010 amounts to EUR 105.300.000 and the market value of the cash flow hedge was as of December 31, 2010 -7.834.580.

## Non- payment of bond interest

Hypo Treuhand Holding AG did not pay interest on its bond loan due on November 30, 2010. The reason of the non-payment of interest was a shortfall in revenues due to increased vacancy in the portfolio. The higher vacancies are a direct effect of commercial tenants going bankrupt in the aftermaths of the financial crises in Germany. The negative deviation between the actual and the expected rental income amounts to approximately EUR 1.200.000 p.a

\*Q1-Q4 2009





Notice to the Stock Exchange no. 27

Hypo Treuhand Holding AG

OMX Copenhagen Stock Exchange A/S

Stockholm, February 28, 2011

(expected approximately 9.600.000 / actual approximately EUR 8.400.000). Hypo Treuhand has engaged advisors to assist the company in analyzing the cash flow situation of the company and to assist in restating its financial approach towards the creditors. In accordance with the bond terms and conditions a 12 month remedy period has initiated within which the company has the opportunity to remedy the situation with its bondholders. Likewise the bondholders cannot accelerate the loan or enforce any securities during this period. Payment on the company bank creditors for both interest and scheduled amortizations has been paid duly and timely.

### **Vacancies**

The lease contract for the tenant BFG Smart Telesales in the property on Kampstraße 102 in Dortmund has expired and an area of 1.580 sqm. is now vacant. There is a local demand for smaller offices in the area. The cost to refit the property for new tenants is estimated to EUR 400 per sqm.

The lease contract for the tenant Economia in the property on An der Alster in Hamburg has expired and an area of 3.484 sqm. is now vacant. The annual rental income from Economia was EUR 635.640. The cost for refitting the property for a new tenant will be substantial and the management of Hypo Treuhand are therefore looking at the possibility of a market sale of the property.

Furthermore there is a 3.566 sqm. vacant office space in Kasinostraße in Wuppertal which represents 14% of the total lettable space of the property.

### **Property investments**

There is a need for investments in property refitting and adjustments for new tenants for the vacant spaces in the properties on Kampstraße 102 in Dortmund, An der Alster in Hamburg and for the vacant office space in Kasinostraße in Wuppertal. There is also an accumulated need for maintenance for the properties on Erholungstraße in Wuppertal, Schillerstraße/Kölnerstraße in Lüdenscheid and Beurhausstraße, Alexanderstraße, Wittkindstraße and Westenhellweg in Dortmund.

The management for Hypo Treuhand, together with its advisors, is currently making a summary of the total investment costs and accumulated maintenance need.



Notice to the Stock Exchange no. 27

Hypo Treuhand Holding AG

OMX Copenhagen Stock Exchange A/S

Stockholm, February 28, 2011

### **The financial structure**

On November 30, 2006 Hypo Treuhand Holding AG issued 1.500 bonds on the Copenhagen Stock Exchange with fixed interest rate of 8 %. The bonds are in one series with a face value of DKK 100.000 per bond. The purpose of the bond issue was to procure financing in connection with the acquisition of the property portfolio.

The Group's total loans to the senior and junior banks as of December 31, 2010 amounted to EUR 105.300.000 (*106.380.000*) and ends on December 7, 2016.

### **Derivative financial instruments**

The hedging instrument is entered in the balance sheet at the market value. The market value of interest swaps is determined by means of discounting the anticipated future cash flows over the residual term of the agreement on the basis of current market interest rates and interest structure curves. The effective portion of the changes in the fair value of the derivatives, which represent qualified hedges pursuant to IAS 39, is recorded in equity. The market value of the cash flow hedge was as of December 31, 2010, EUR *-7.834.580 (-5.777.981)*.

### **Accounting principles**

This preliminary announcement of financial statements has been prepared in accordance with the German Commercial Code HGB (Handelsgesetzbuch), by EU approved IFRS as well as additional requirements of the Copenhagen Stock Exchange on financial reporting of companies with listed bonds. It has however not been audited by the Company auditor.

### **Financial information**

Hypo Treuhand Holding AG expects

- to hold general meeting on April 21, 2011
- to release annual report for 2010 on April 29, 2011
- to release period announcement for Q1 2011 on May 16, 2011

Changes of the above dates can occur.