



Notice to the Stock Exchange no. 11

Hypo Treuhand Holding AG

OMX Copenhagen Stock Exchange A/S

Stockholm, May 15, 2008

**Preliminary announcement of financial statements for Q1 2008  
Hypo Treuhand Holding AG**

**Company details**

Hypo Treuhand Holding AG

Westenhellweg 85-89  
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Federal Republic of Germany

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Functions as company management, economy, finance and maintenance services are provided by Liegenschaftsverwaltung Bussfeld GmbH.

**Central Business**

Registration no. HRB 20036  
Established: November 8, 2006  
Registered in: Dortmund

**Supervisory Board**

Dan Eriksson (Chairman)  
Anne Benjert  
Carl Magnus Lundqvist  
Jesper Ericsson  
Andres Aulik  
Thomas Faarborg

**Executive Board**

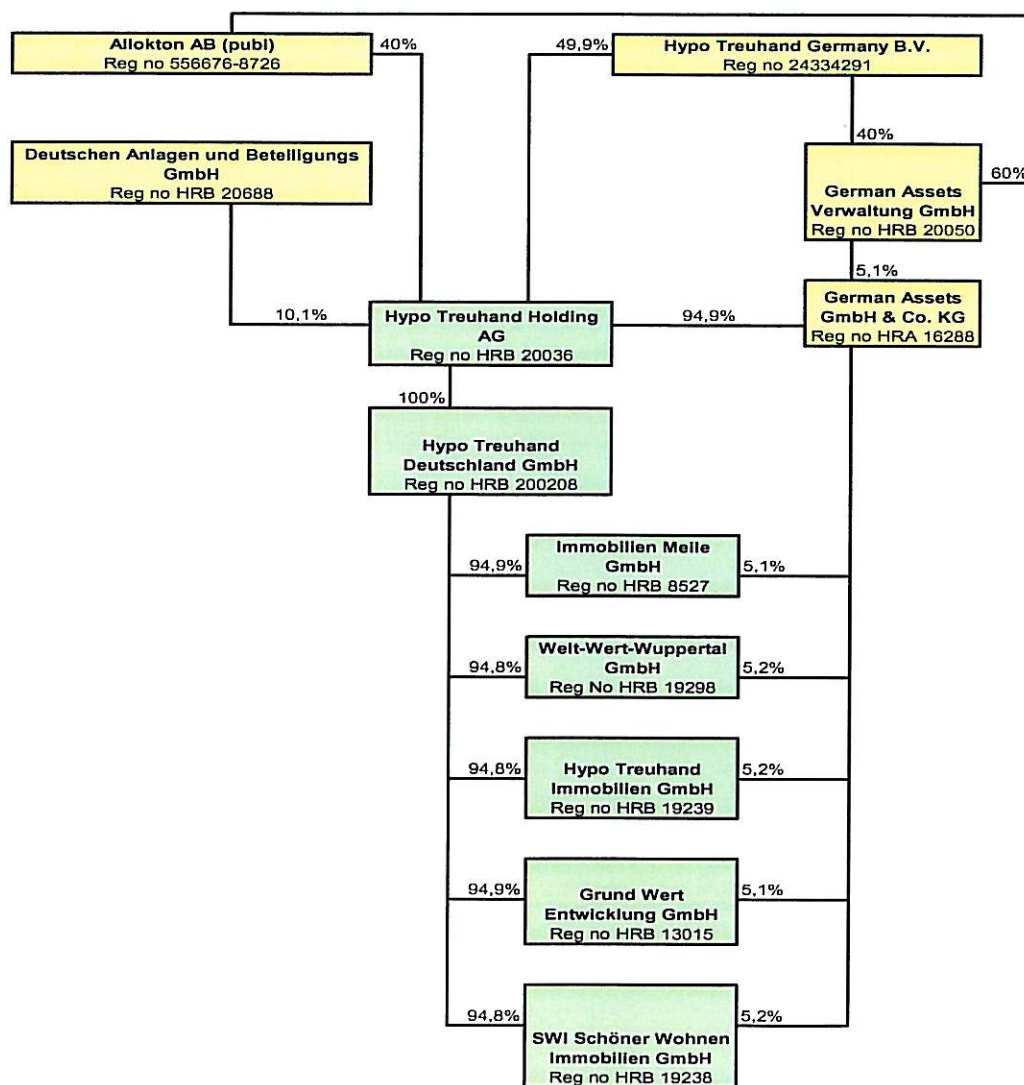
Stefan Bussfeld

**Please contact Carl Magnus Lundqvist (phone +46 (0) 8 614 59 60) for inquiries regarding this announcement.**



### Group structure

The group structure of Hypo Treuhand group as of March 31, 2008 consisted of the superordinated Hypo Treuhand Holding AG owned by Hypo Treuhand Germany B.V. (49,9 %), Allokton AB (publ) (40 %) and Deutschen Anlagen und Beteiligungs GmbH (10,1%). Hypo Treuhand Deutschland GmbH is acting as an intermediate holding company. The actual operative transactions are assumed by the five 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 30 properties (the "Properties") through its subsidiaries. All Properties and subsidiaries are located in Germany.





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## **Summary**

- The revenues for the period January 1 to March 31, 2008 (“Q1”) amounted to EUR 9.434.836, of which EUR 6.611.728 originates from appreciation in value of the Properties.
- The consolidated earnings of the Hypo Treuhand Group for Q1 2008 amounted to EUR 4.495.868.
- The total Property value according to IFRS standards is EUR 122.076.314 for the investment properties and EUR 20.188.000 for the properties as asset hold for sale (Westenhellweg 102-104 in Dortmund).
- According to an external appraisal of the Properties by DTZ dated March 8, 2008, the estimated market value of the Properties after deduction for future renovation costs was EUR 142.265.000.

## **Business concept**

The business concept is to hold and administrate its properties in Germany in an efficient, thrifty and careful way and to have a high net yield which combined with innovative financial solutions will produce a good return on equity.

## **Strategies**

The Group’s strategy is to optimize the current earnings on the basis of real estate holdings and to increase the market value by means of active portfolio management. The management is of the opinion that the German real estate market will continue to develop in a positive manner and generate increases in rent levels over the long term thereby effecting a long-term increase in the market value of the real estate. The investment outlook is of an essentially long-term nature and configured for a minimum of 10 years. Independent of the long-term investment outlook, the management reserves the right, however, to carry out a partial sale of individual properties in the event said properties undergo positive development more rapidly than expected providing this serves the optimisation of the portfolio and the earnings from the sale are of an attractive nature.



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### **Income Statement**

The revenues for Q1 2008 amounted to EUR 9.434.836, of which EUR 6.611.728 originates from appreciation in value of the Properties. The increase in unfinished services (*Nebenkosten*) amounted to EUR 418.982 and other income amounted to EUR 3.418. The other operational expenditure costs amounted to EUR 1.626.754 and the depreciation of intangible and equipment amounted to EUR 43.056 resulting in earnings before financial items and taxes (EBIDA) of EUR 7.380.561. The Group's profit for the period after financial items and before deferred taxation amounted to EUR 5.543.282.

### **Property Value**

The Properties has been valued by DTZ according to an appraisal dated march 8, 2008. The market value after deduction for estimated future renovation costs for the property on Kasinostrasse in Wuppertal was estimated to EUR 142.265.000. The valuations have been carried out in accordance with the definition of market value contained within the appropriate sections of the current Practice Statements and Guidance Notes of the Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors, as well as the Standards contained within The European Standards 2000 issued by the European Group of Valuers' Associations.

### **Assets held for sale**

#### *Property on Westenhellweg 102-106 in Dortmund*

On May 10, 2007 a call option agreement was signed with one of the leading inner city shopping centres companies regarding a future purchase of the property on Westenhellweg 102-106 with the idea to convert this property into a shopping centre. The option period is April 8 until November 10, 2008 and the cash release in case of a sale of the property would be approximately EUR 3.300.000. The inner city shopping centre company has guaranteed the net rental income for a period of 3,5 years (until November 10, 2010), if the option is not called earlier.



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If the centre of commerce in Dortmund is relocated to the area of a new shopping centre with the entrance through Westenhellweg 102-106, the Group's close by properties on Westenhellweg 85-89, Westenhellweg 92-94 and Kampstrasse 102 in Dortmund, will most likely come to generate higher rents and increased market values of these properties. It is the recommendation of the management that new properties, with corresponding cash flow, shall replace the Westenhellweg 102-106 property in the portfolio. Such a transaction requires the approval of the junior and senior banks.

### **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 property owning subsidiaries have taken up senior bank loans with HSH Nordbank AG and a group of junior banks to finance the Properties. The Group's total loans as of March 31, 2008 amounted to EUR 107.797.500. The loans are based on Euribor interest (variable in fix) and are value assured in full by means of interest derivatives. The fixed interest period 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 March 31, 2008 EUR 2.211.731.

### **Future forecast**

The management expects that the vacancy rates will continue to diminish under Q2-Q4. This will contribute to increased revenues. No major renovations are expected for the next three quarters.

The city of Dortmund has now approved the building plans for a new shopping center on Westenhellweg. The management therefore believes that the property on Westenhellweg 102-106 will be sold before the end of this year. The Group's liquidity will then increase with approximately EUR 3.300.000.



## **Risks**

In its present opinion, the management regards the Group as subjected to the risks described below. The risk factors are subject to the best of the management's knowledge, they do not constitute a claim for completeness.

The potential risk factors are categorised in terms of the nature of the risk and their order does not signify a prioritisation of the risk elements.

### *Rental income and vacancy*

The rent level can develop in a negative manner in the event of subsequent letting if it is not possible to maintain or increase the level existing at such a point in time. It should be noted that the lessor is not automatically entitled with legal effect to an adjustment of the rent in the component used for residential purposes because the cost increases occur on the basis of a rising interest rate or other increases in cost. An adjustment of the rent level is only permissible for commercial lease agreements if corresponding indexing was conducted in the respective lease agreement. As such, automatism does not exist in the scope of German rental and leasing legislation in the absence of an indexing clause.

The development of revenues in the entire Group primarily depends on the existing rate of vacancy. The rate of vacancy of the real estate portfolio at year end 2007 amounted to approximately 2 % while omitting the Kasinostrasse property in Wuppertal. The management has carried out maintenance and modernisation work for the Kasinostrasse property in Wuppertal in order to reduce the vacancies and the result has exceeded the managements expectations. The rate of vacancy at year end 2007 for the whole portfolio amounted to approximately 5 % measured in rent.

### *Deflation risk*

The Hypo Treuhand Group has budgeted with a rise in general prices at approx. 2.0 % annually. There might be a risk that the inflation expectations are not met – and in a worst-case-scenario might reverse to deflation, reducing the attainable rental income in terms of the budgeted rental income. Earnings might thus be lower than budgeted, and thus there will be a risk that there is not sufficient liquidity for Issuer to meet the payment obligations.

### *Exchange rate risk*

Since the bonds have been issued in DKK, The Hypo Treuhand Group is exposed to an exchange rate risk as all other earnings and costs together with other financial costs are in EUR. Thus, a weakening of EUR in relation to DKK will proportionately increase the Group's interest expenses and thereby influence the cash flow and earnings of the Group.



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### **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 release interim announcement for 1<sup>st</sup> half 2008 August 29, 2008
- to release period announcement for 3<sup>rd</sup> quarter 2008 November 15, 2008
- to release preliminary announcement of annual report 2008 on February 27, 2009
- to hold ordinary general meeting on April 30, 2009

Changes of the above dates can occur.

## Hypo Treuhand Holding AG

### Konzern-Gewinn- und Verlustrechnung (IFRS)

Hypo Treuhand Holding AG	1.1.-31.3.2008	1.1.-31.03.2007
	EUR	EUR
Umsatzerlöse ( <i>Revenues</i> )	2.404.126	1.536.792
Unrealisierte Marktwertänderungen Investment Properties ( <i>Unrealized change in market value investment properties</i> )	6.611.728	0
Bestandsveränderung unfertige Leistungen ( <i>Increase/decrease in un-finished services</i> )	418.982	515.338
<b>Gesamtleistung (<i>overall performance</i>)</b>	<b>9.434.836</b>	<b>2.052.130</b>
Sonstige betriebliche Erträge ( <i>Other operating Income</i> )	3.418	28.018
Bezogene Leistungen ( <i>Services received</i> )	-1.626.754	-944.488
Personalaufwand ( <i>Personnel expenses</i> )	-13.595	-71.224
Abschreibungen auf immaterielle Vermögensgegenstände und Einrichtungen ( <i>Depreciation on intangible assets and equipment</i> )	-43.056	-41.362
Sonstige betriebliche Aufwendungen ( <i>Other operational expenditure</i> )	-417.344	-297.391
<b>Ergebnis vor Finanzposten und Steuern (<i>Earnings before financial items and taxes</i>)</b>	<b>7.337.505</b>	<b>725.683</b>
Sonstige Zinsen und ähnliche Erträge ( <i>Other interest and similar earnings</i> )	17.602	36.976
Zinsaufwendungen ( <i>Interest expenditure</i> )	-1.812.021	-1.732.707
<b>Finanzergebnis (<i>Financial result</i>)</b>	<b>-1.794.419</b>	<b>-1.695.731</b>
Zinsabschlagsteuer ( <i>withholding tax on specific interest income</i> )	118	-61
Latente Steuern ( <i>Deferred taxes</i> )	-1.047.532	0
<b>Steuern vom Einkommen und vom Ertrag (<i>Taxes on income</i>)</b>	<b>-1.047.414</b>	<b>-61</b>
<b>Periodenergebnis (<i>Earnings for period</i>)</b>	<b>4.495.672</b>	<b>-970.110</b>
<i>Davon entfallen auf: (Thereof attributed to:)</i>		
Eigenkapitalgeber der Hypo Treuhand Holding AG ( <b>Konzernergebnis</b> ) ( <i>Equity provider of Hypo Treuhand Holding AG</i> ) ( <b>consolidated earnings</b> )	<b>4.495.868</b>	<b>-970.094</b>
Anteile in Fremdbesitz ( <i>Shares held by third parties</i> )	-196	-16
<b>Gesamtergebnis (<i>Total earnings</i>)</b>	<b>4.495.672</b>	<b>-970.110</b>
<b>Ergebnis je Aktie (<i>Earnings per share</i>)</b>	<b>89,91</b>	<b>-19,40</b>



**Hypo Treuhand Holding AG**  
**Konzernbilanz (IFRS)**

**Hypo Treuhand Holding AG**

	<b>31.3.2008</b>	<b>31.12.2007</b>
	EUR	EUR
<b>Aktiva</b> <b>(Assets)</b>		
<b>Langfristige Vermögenswerte</b> <b>(Non-current assets)</b>		
Immaterielle Vermögenswerte <i>(Intangible assets)</i>	6.465.500	6.465.500
Als Finanzinvestition gehaltene Immobilien <i>(Investment property)</i>	122.076.314	115.052.586
Sachanlagen <i>(Tangible assets)</i>	762.772	805.828
Langfristige Finanzanlagen <i>(Non-current financial assets)</i>	52.731	78.731
Derivative Finanzinstrumente <i>(Derivative financial instrument)</i>	2.211.732	4.621.820
Langfristige sonstige Vermögenswerte <i>(Other non-current assets)</i>	1.285.751	1.322.487
	<b>132.854.800</b>	<b>128.346.952</b>
<b>Kurzfristige Vermögenswerte</b> <b>(Current assets)</b>		
Vorräte <i>(inventories)</i>	3.169.212	2.750.230
Zur Veräußerung bestimmte Investment Properties <i>(Investment properties hold for sale)</i>	20.188.000	20.600.000
Forderungen aus Lieferungen und Leistungen <i>(Trade receivables)</i>	437.864	283.379
Ausgleichsansprüche Altgesellschafter <i>(Settlement claims of former shareholders)</i>	0	0
Kurzfristige sonstige Vermögenswerte <i>(Other current assets)</i>	860.738	1.012.116
Liquide Mittel <i>(Cash position)</i>	4.232.245	4.309.524
	<b>28.888.059</b>	<b>28.955.249</b>
<b>Summe Aktiva</b> <b>(Sum assets)</b>	<b>161.742.859</b>	<b>157.302.201</b>

	31.3.2008	31.12.2007
	EUR	EUR
<b>Passiva (Liabilities)</b>		
<b>Eigenkapital der Aktionäre (shareholders equity)</b>		
Gezeichnetes Kapital ( <i>Subscribed capital</i> )	50.000	50.000
Kapitalrücklage ( <i>Capital provision</i> )	6.950.000	6.950.000
Gewinnrücklage ( <i>retained earnings</i> )		
Ergebnisvortrag ( <i>cumulativ results prior periods brought forward</i> )	2.641.504	-48.846
Periodenergebnis ( <i>Comprehensive Income</i> )	4.495.868	2.690.349
	7.137.372	2.641.503
Cash Flow Hedge Reserve ( <i>other comprehensive income</i> )	1.560.045	3.565.426
	<b>15.697.417</b>	<b>13.206.929</b>
Anteile in Fremdbesitz ( <i>Shares held by third parties</i> )	-12.014	-11.939
<b>Summe Eigenkapital (sum equity)</b>	<b>15.685.403</b>	<b>13.194.990</b>
<b>Langfristige Verbindlichkeiten (Non-current liabilities)</b>		
Anleihen ( <i>Bonds</i> )	20.111.822	20.111.822
Langfristige sonstige Finanzverbindlichkeiten ( <i>Other non-current financial liabilities</i> )	106.987.462	107.190.000
Latente Steuern ( <i>deferred taxes</i> )	6.637.689	5.994.865
Restkaufpreisverbindlichkeit Altgesellschafter ( <i>share purchase agreement</i> )	4.630.877	4.625.113
Langfristige sonstige Verbindlichkeiten ( <i>Other non-current liabilities</i> )	89.341	87.919
	<b>138.457.191</b>	<b>138.009.718</b>
<b>Kurzfristige Verbindlichkeiten (Current liabilities)</b>		
Kurzfristige Rückstellungen ( <i>Current provisions</i> )	529.788	287.669
Kurzfristige Finanzverbindlichkeiten ( <i>Current financial liabilities</i> )	2.513.505	2.128.325
Übrige kurzfristige Finanzverbindlichkeiten ( <i>Other current financial liabilities</i> )	5.888	21.127
Nebenkostenvorauszahlungen ( <i>Prepayments of ancillary costs</i> )	2.935.869	2.502.413
Verbindlichkeiten aus Lieferungen und Leistungen ( <i>Trade payables</i> )	655.714	731.682
Kurzfristige sonstige Verbindlichkeiten ( <i>Other current liabilities</i> )	959.501	426.276
	<b>7.600.265</b>	<b>6.097.493</b>
<b>Summe Verbindlichkeiten (Sum liabilities)</b>	<b>146.057.456</b>	<b>144.107.211</b>
<b>Summe Passiva (Total liabilities)</b>	<b>161.742.859</b>	<b>157.302.201</b>