

**Q1 2007 RESULTS**  
**Expanding into new territory**

Fridrik Jóhannsson, CEO



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- 1 Highlights Q1 2007**
- 2 Financial performance
- 3 Q&A
- 4 Property Group – Jesper Damborg

## ■ Successful transition into Euros

- First quarter reported in Euros
- A part of the Bank's internationalisation strategy
- Foreign diversification in shareholder's group

## ■ ROE in line with the Bank's targets

- Strong growth in loan portfolio
- Favourable development in fees, commissions and net interest income
- Profitable growth

## ■ Further international market penetration

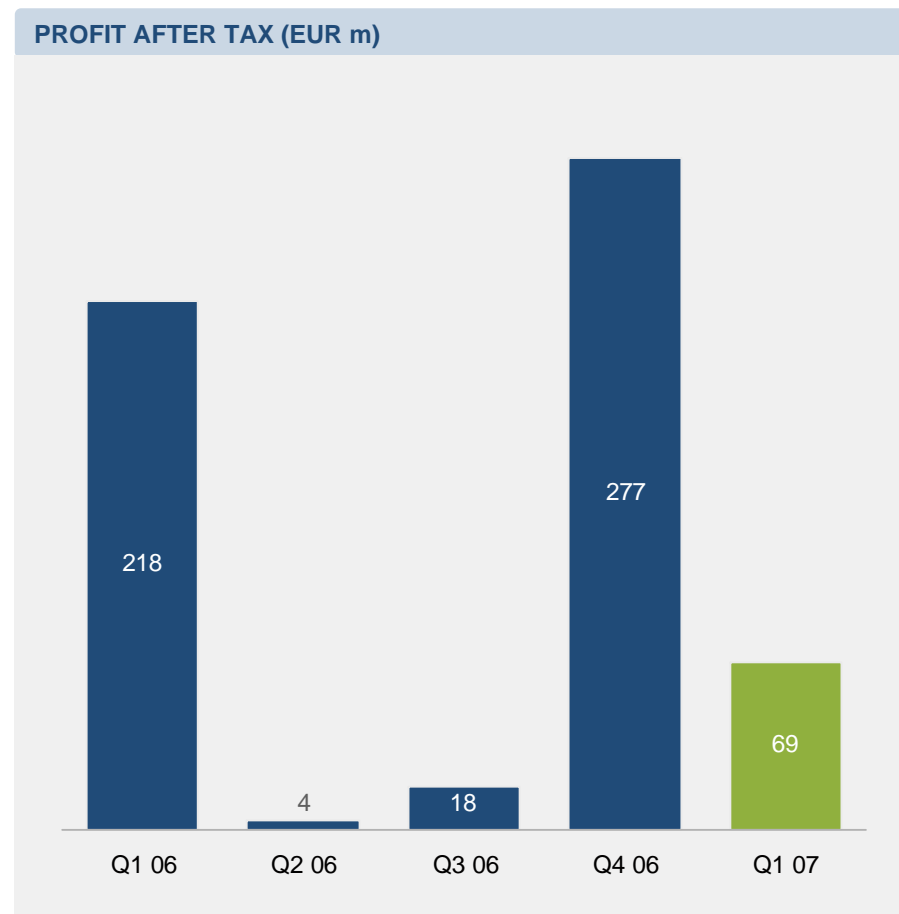
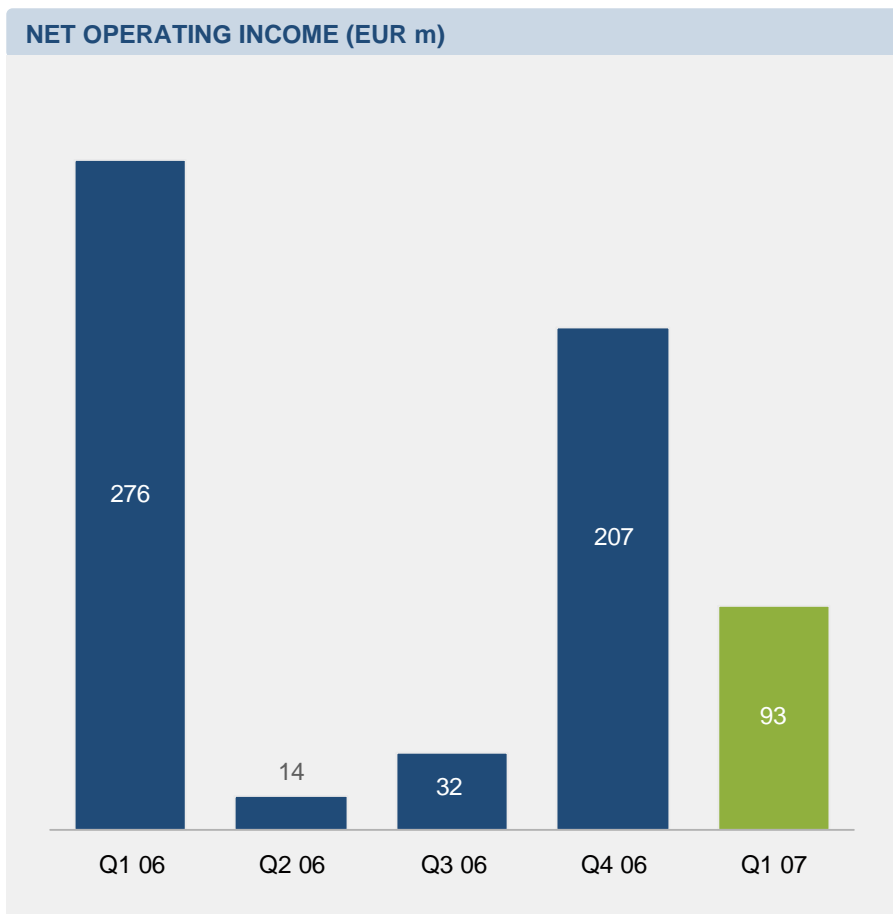
- Continued build-up of operations in London and Copenhagen
- Successful recruitment for key locations
- Preparation for the opening of a branch in Stockholm has begun.



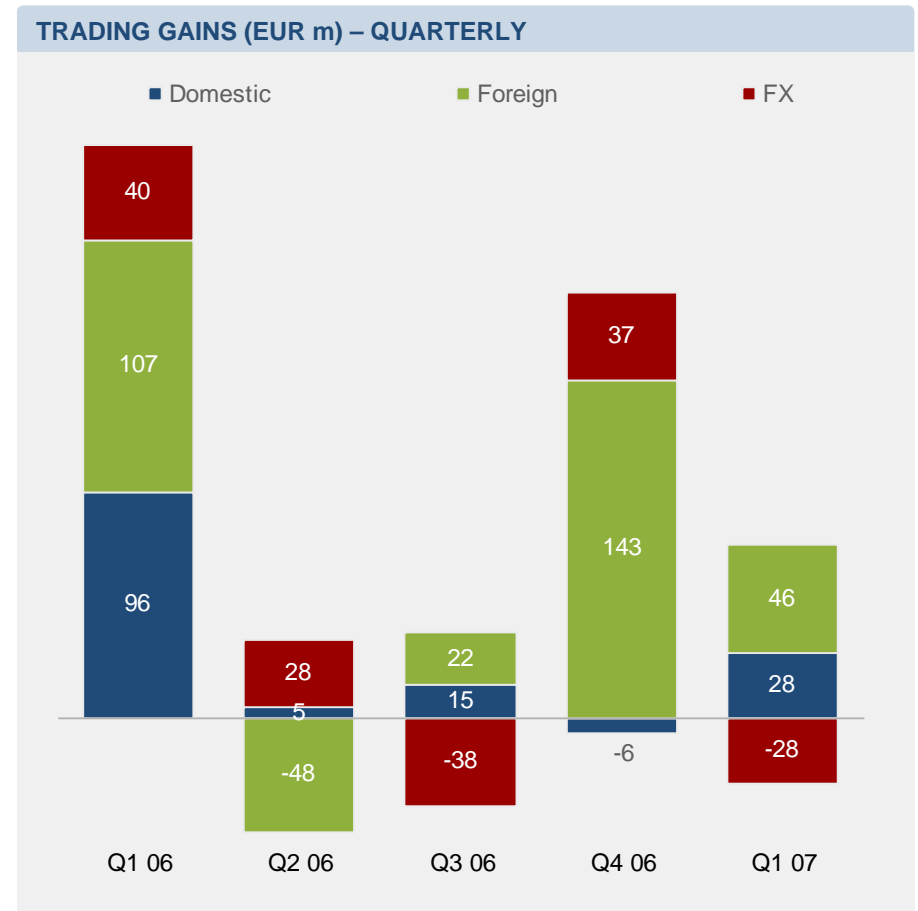
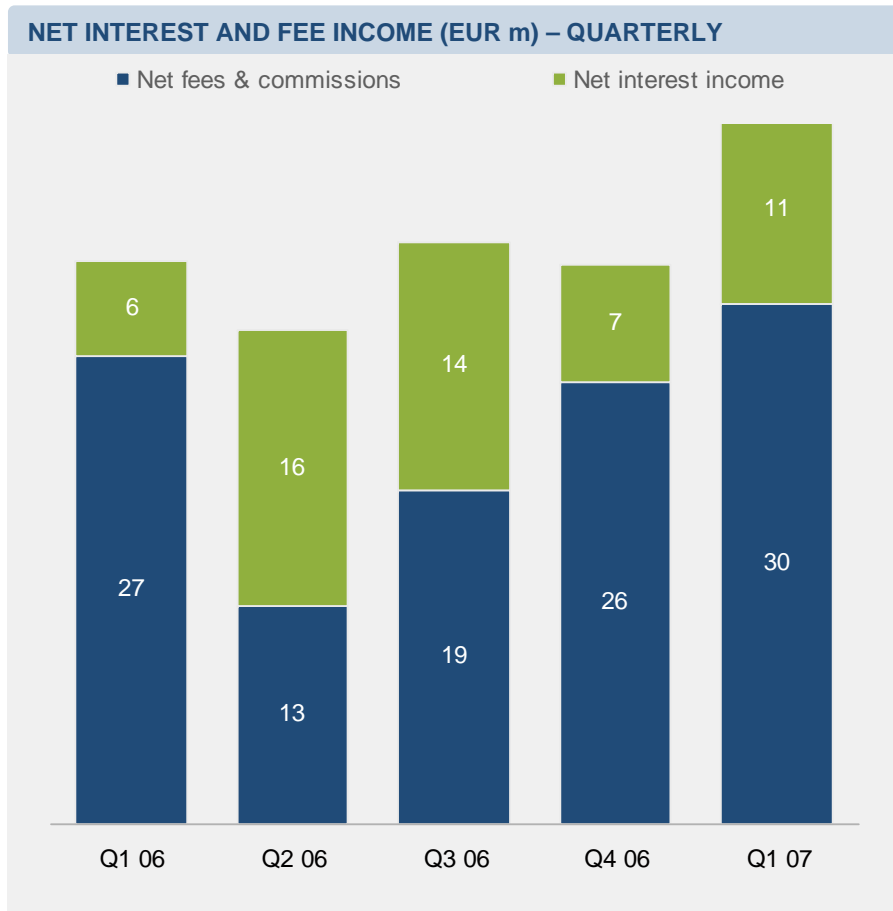
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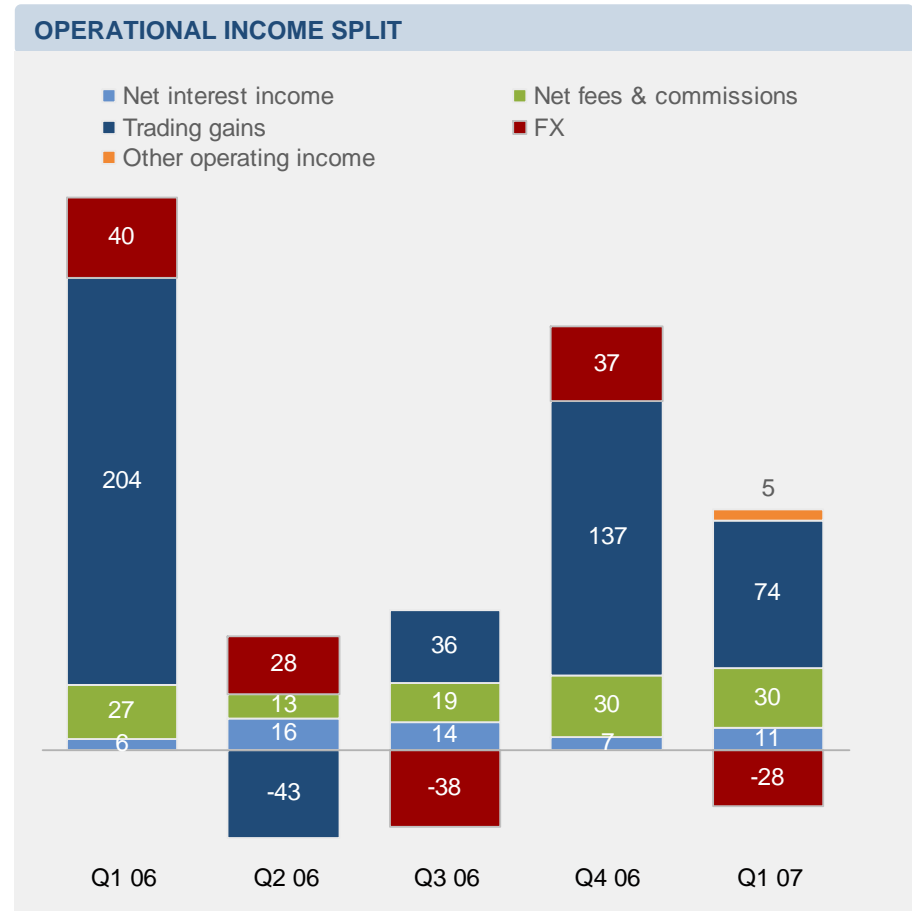
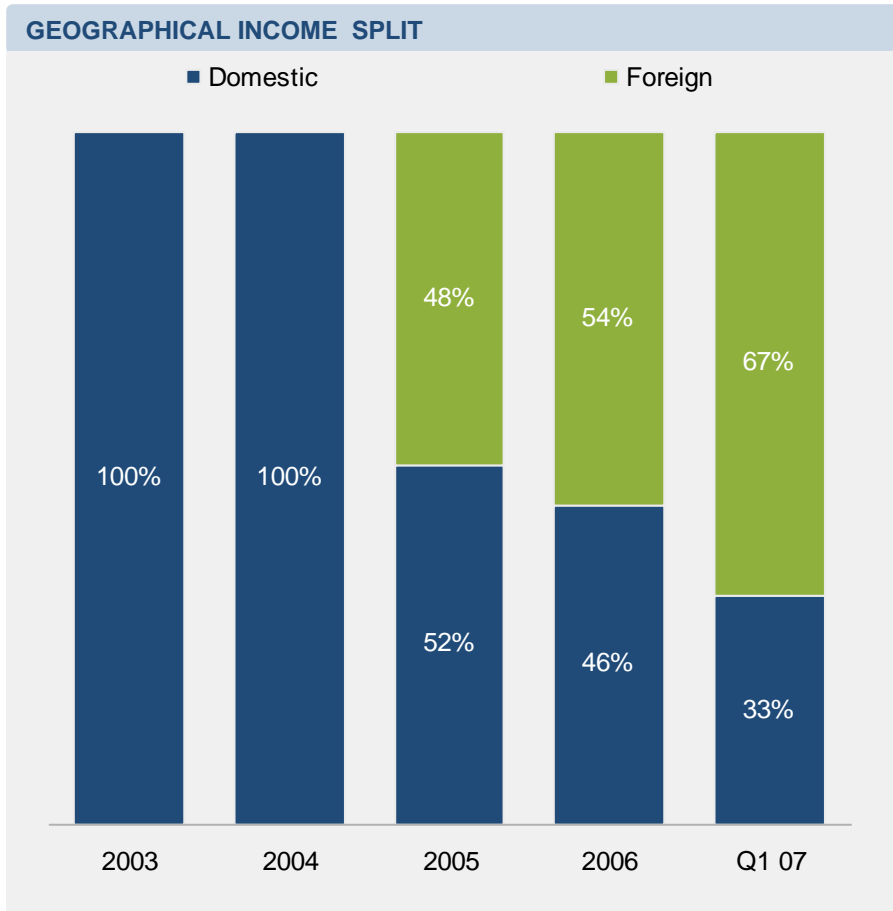
# 20% return on equity



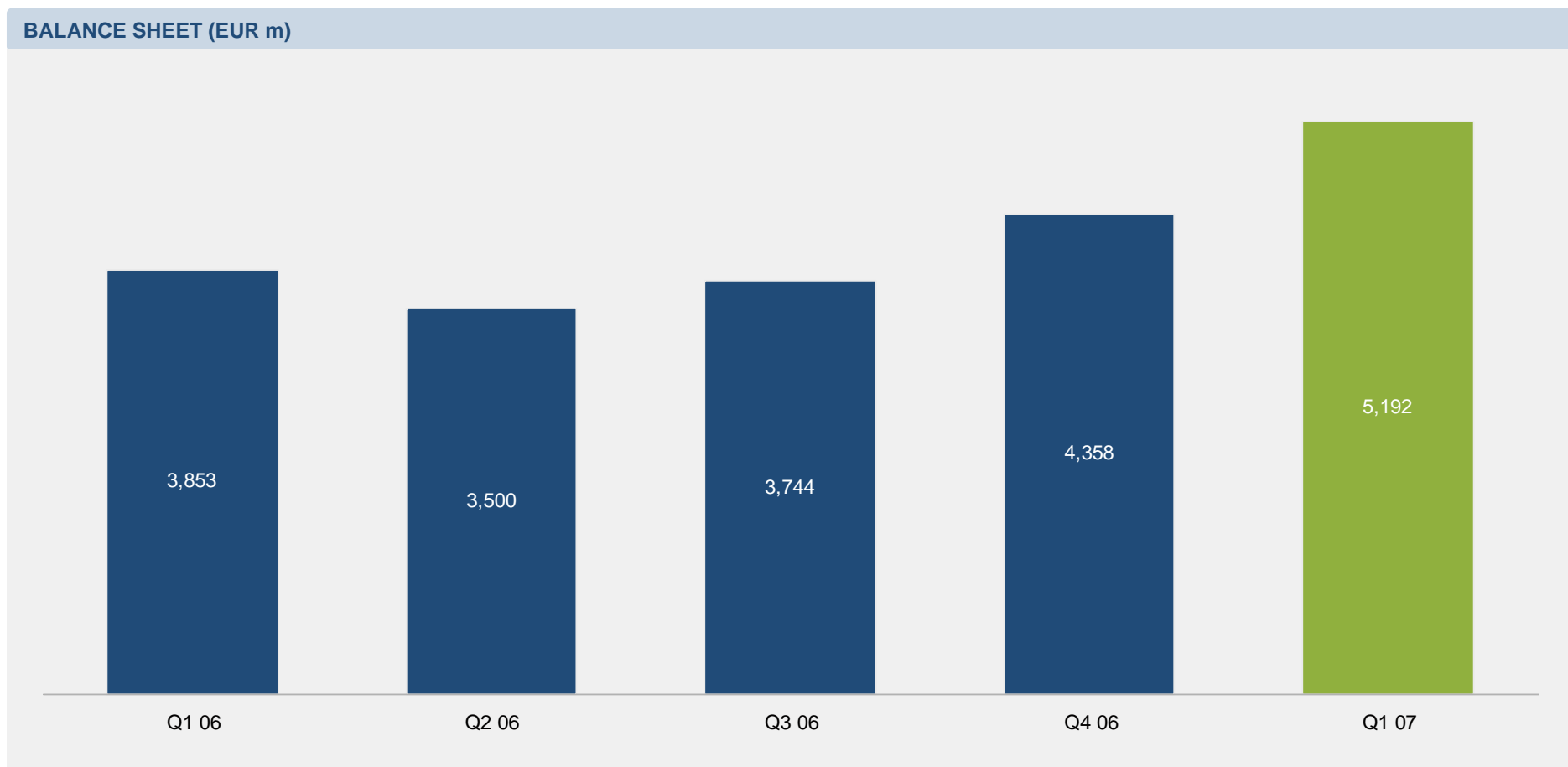
# Continued growth in fees, commission and net interest income



# Increased geographical & operational diversity

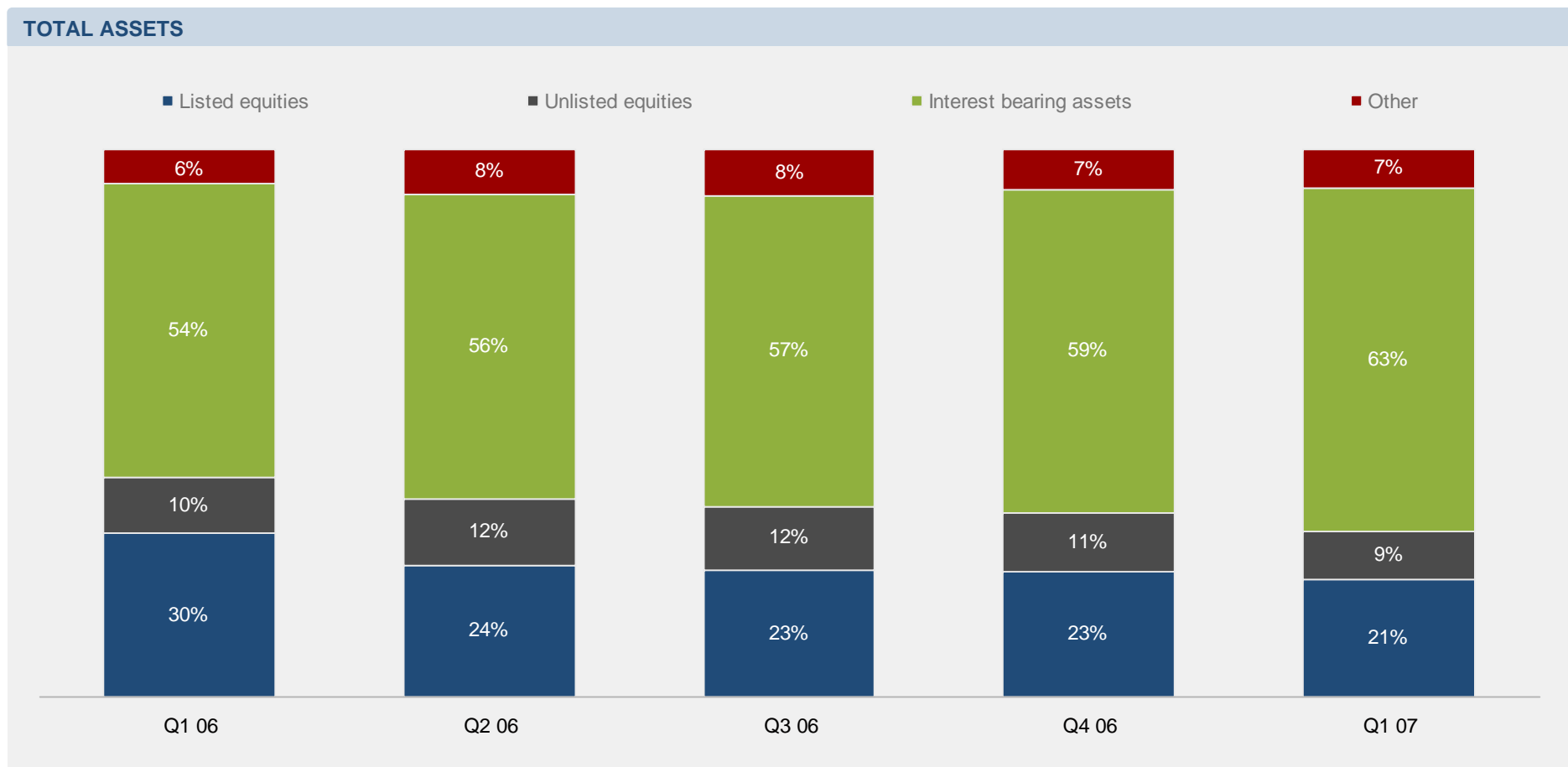


## 35% balance sheet growth – year on year

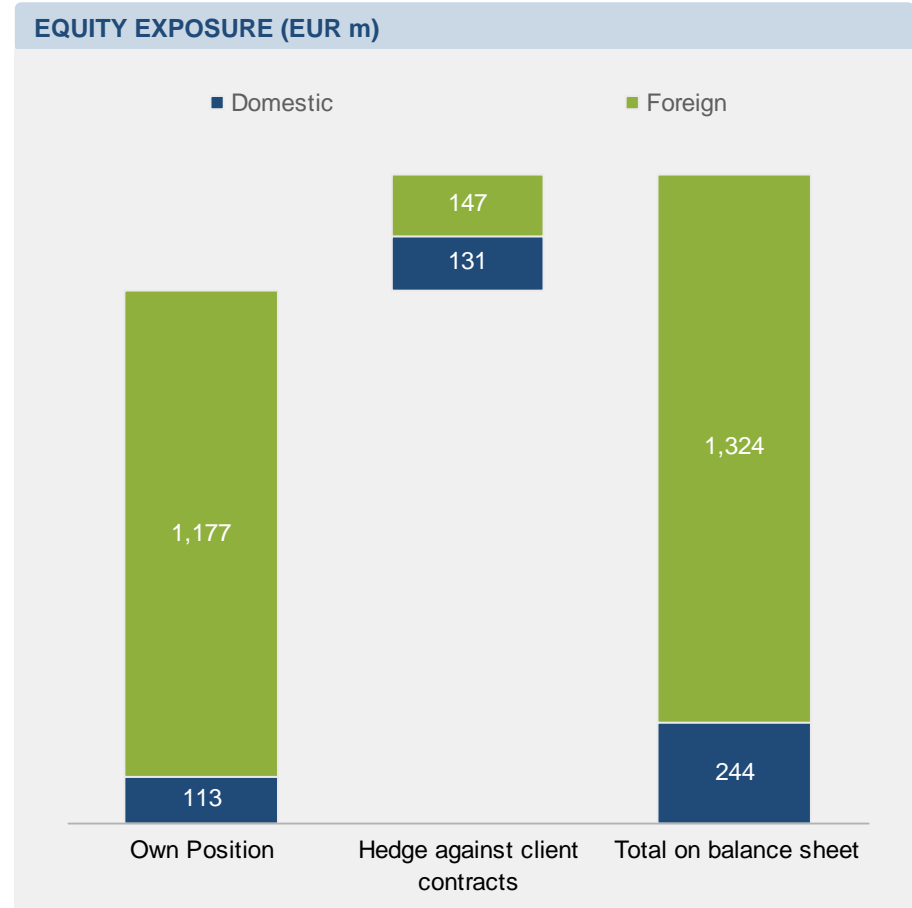
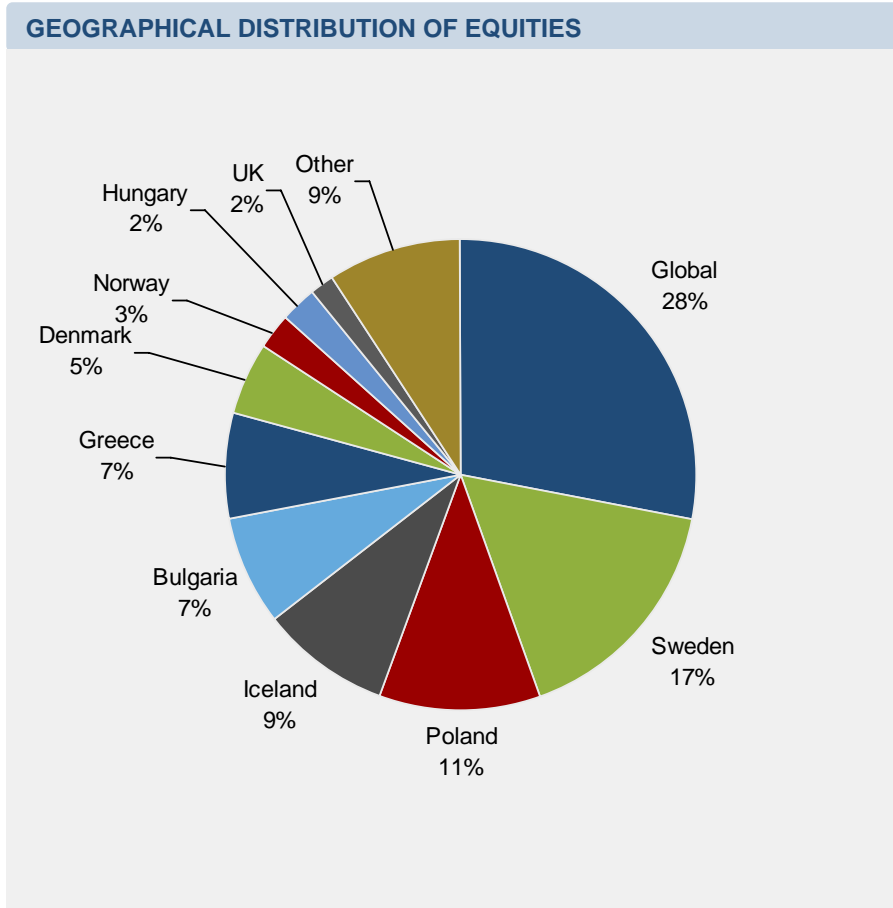




# Interest bearing assets grow in line with strategy



# Well diversified equity exposure



## Largest listed equity exposure at end of Q1 2007

### Actavis

- Ownership 3.1%, market value EUR 90 million
- Listed on ICEX, manufacturer of generic pharmaceuticals

### Kaupthing

- Ownership 0.9%, market value EUR 80 million
- Listed on ICEX and XOME, rated by Moody's Aa3 and by Fitch A

### Bulgarian Telecom

- Ownership 3.7%, market value EUR 69 million
- Listed on XBUL, offering telephone and related services

### Nordea

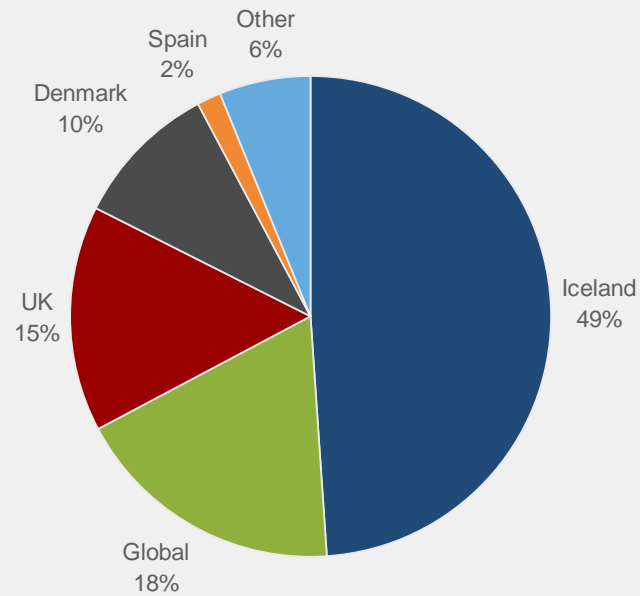
- Ownership 0.2%, market value EUR 68 million
- Listed on OMX, rated by Standard & Poor's AA- and by Moody's Aa1

### Tanganyika Oil

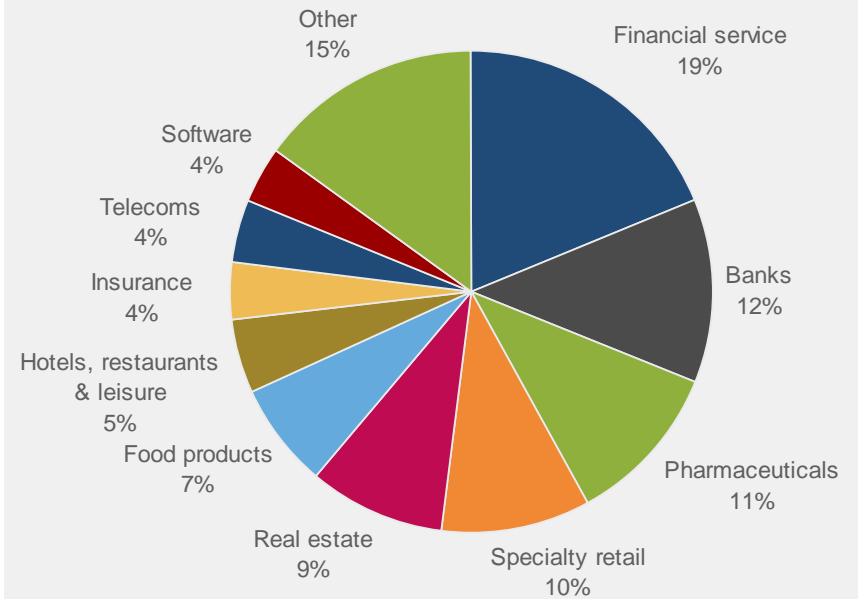
- Ownership 8.8%, market value EUR 64 million
- Listed on XTSX and XOME, an oil and gas explorer / developer / producer

# Excellent sector split

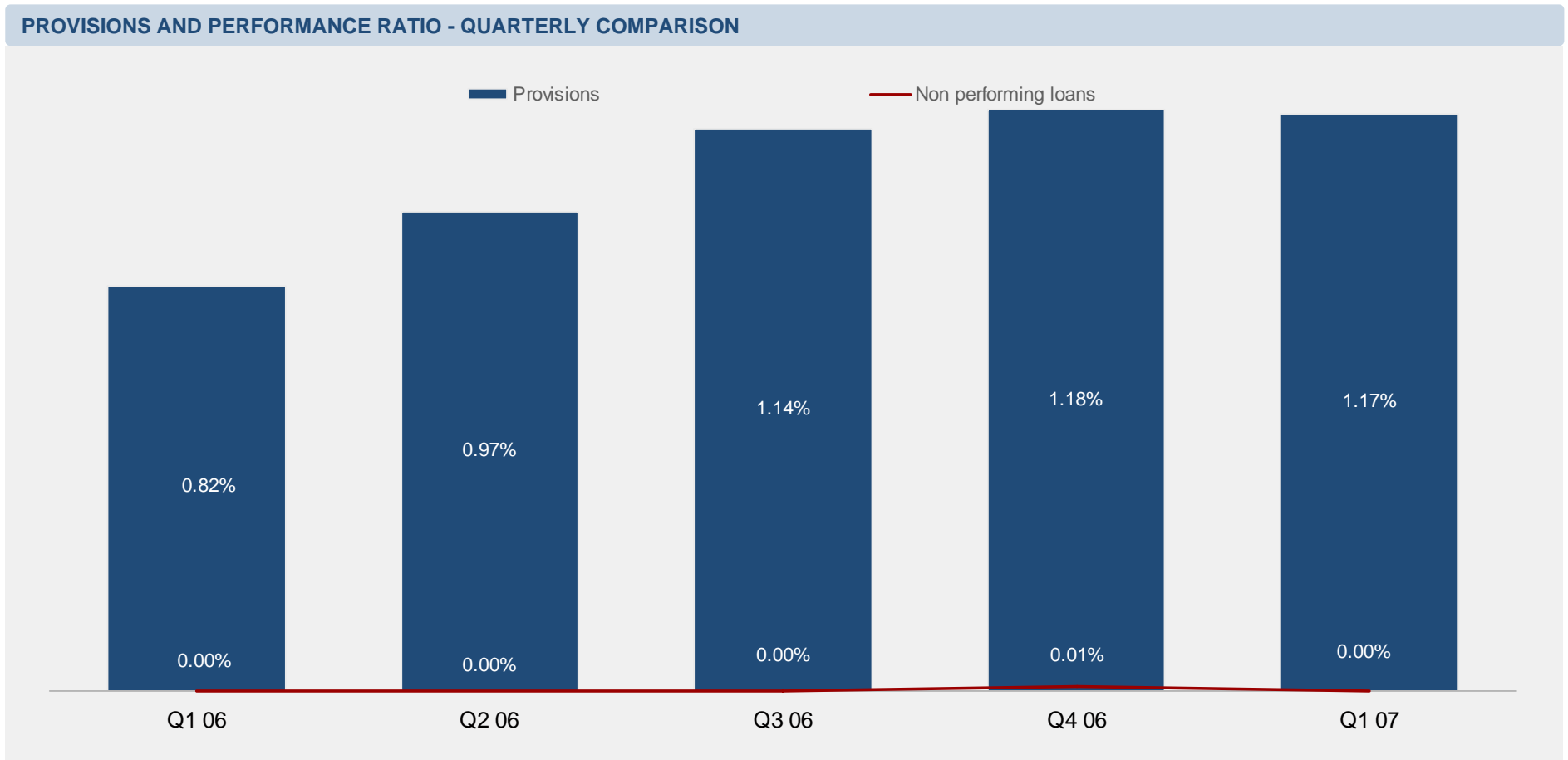
## LOANS – COUNTRY RISK BREAKDOWN



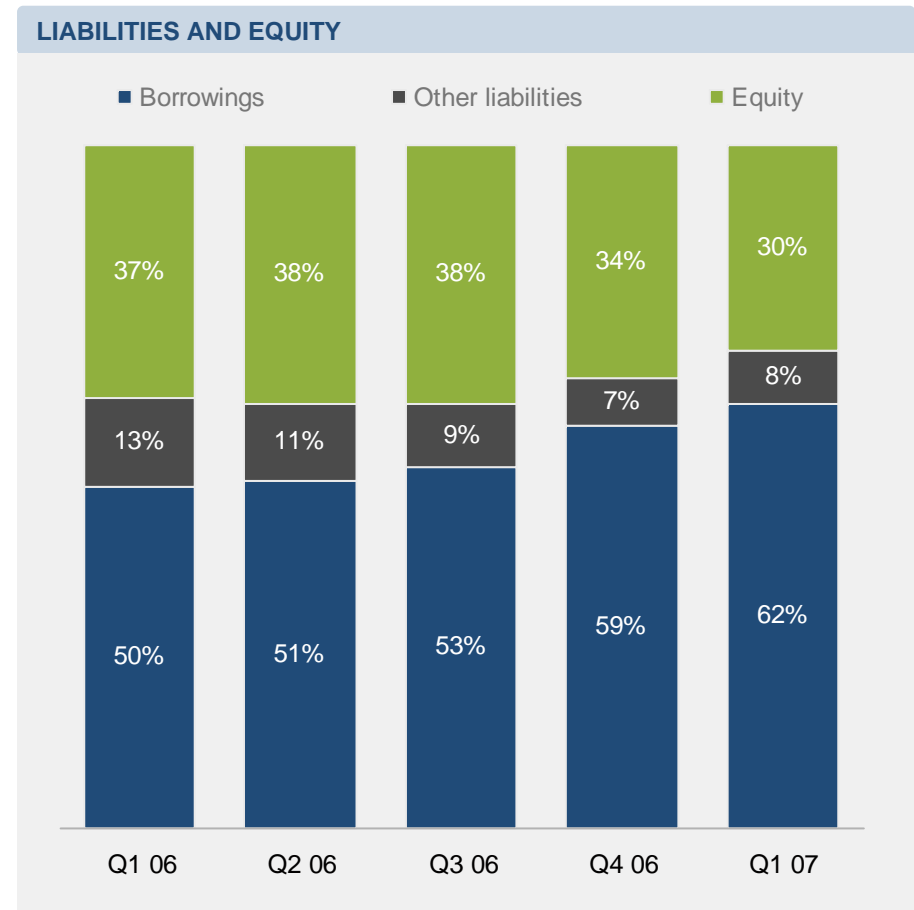
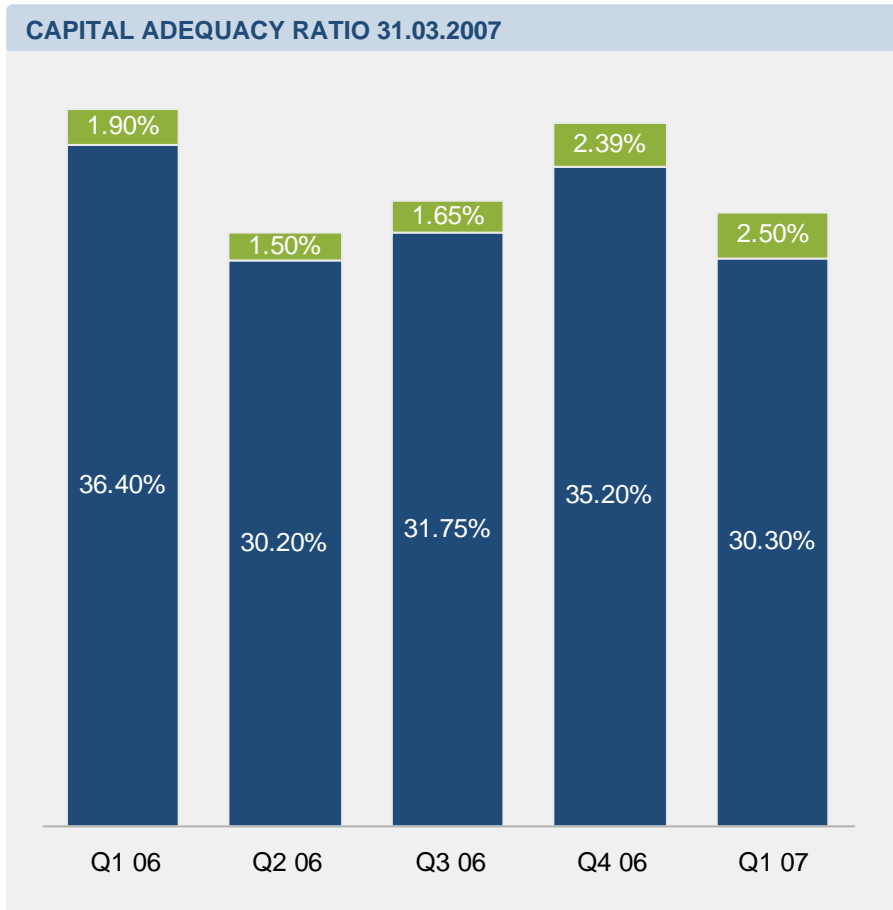
## LOANS – SECTOR BREAKDOWN



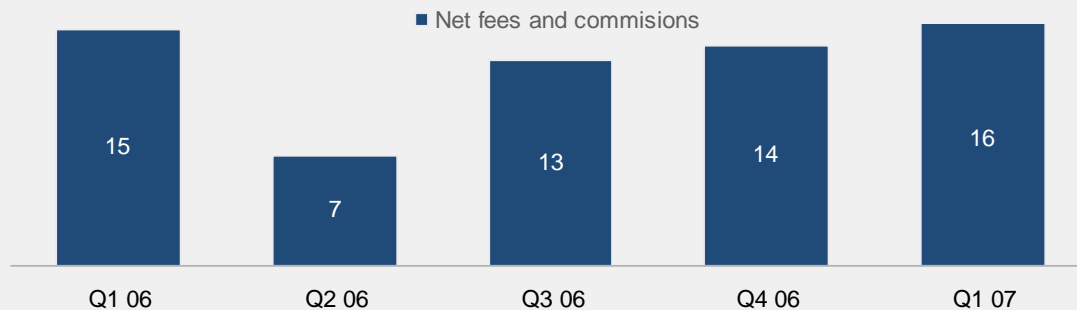
# Healthy loan portfolio



# Increased gearing on balance sheet



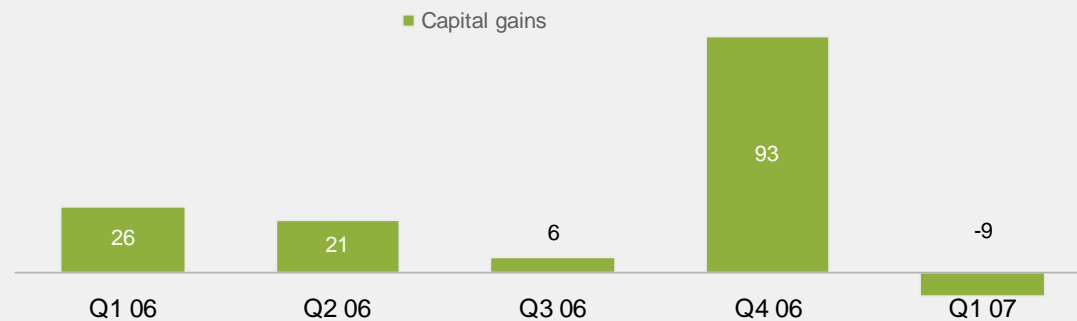
## RESULTS (EUR m)



## OPERATING PERFORMANCE

- Good results from Q1 07 in Denmark
  - Both in Corporate finance and the subsidiary Property Group
- Positive results from Stamford Partners
  - Best quarterly profits in the company history
- Results in Iceland insufficient
  - Improvement in Q2 07
- Outlook for 2007 is good

## RESULTS (EUR m)

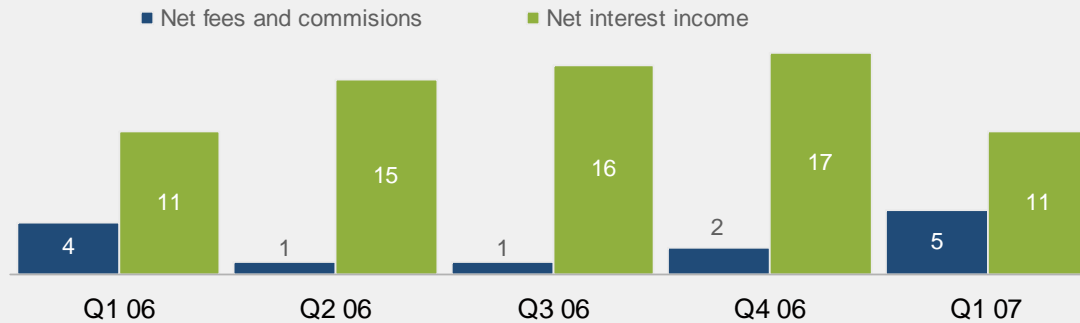


## INTERNATIONAL BUSINESS

- Strategy of geographical diversification a key factor in the operation of Straumur-Burðaras Corporate finance
- Further growth anticipated in 2007 and 2008
- Focus on core markets in Scandinavia and UK
- Opportunistic in other markets

# Debt finance

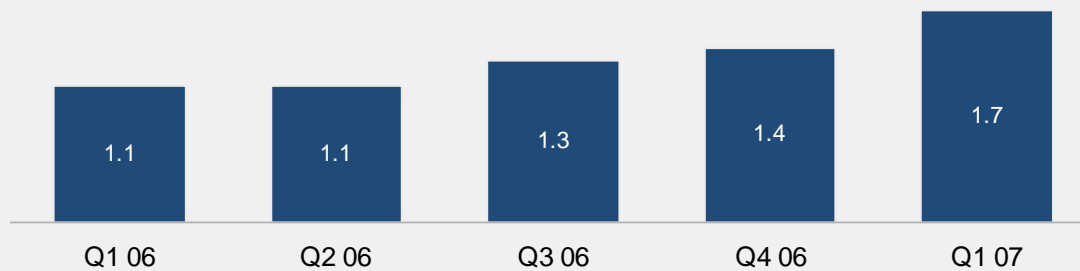
## RESULTS (EUR m)



## OPERATING PERFORMANCE

- Continued strong growth of the loan book to EUR 1.7 billion or an increase of over 20% compared to EUR 1.4 billion at the year end 2006
- Net interest income of EUR 11 million for Q1 07, decreasing due to change in equity base to EUR and lower average margins
- Significant increase in net commission income to EUR 5 million due to several significant financing projects, including one large real estate assignment

## LOAN BOOK SIZE (EUR bn)

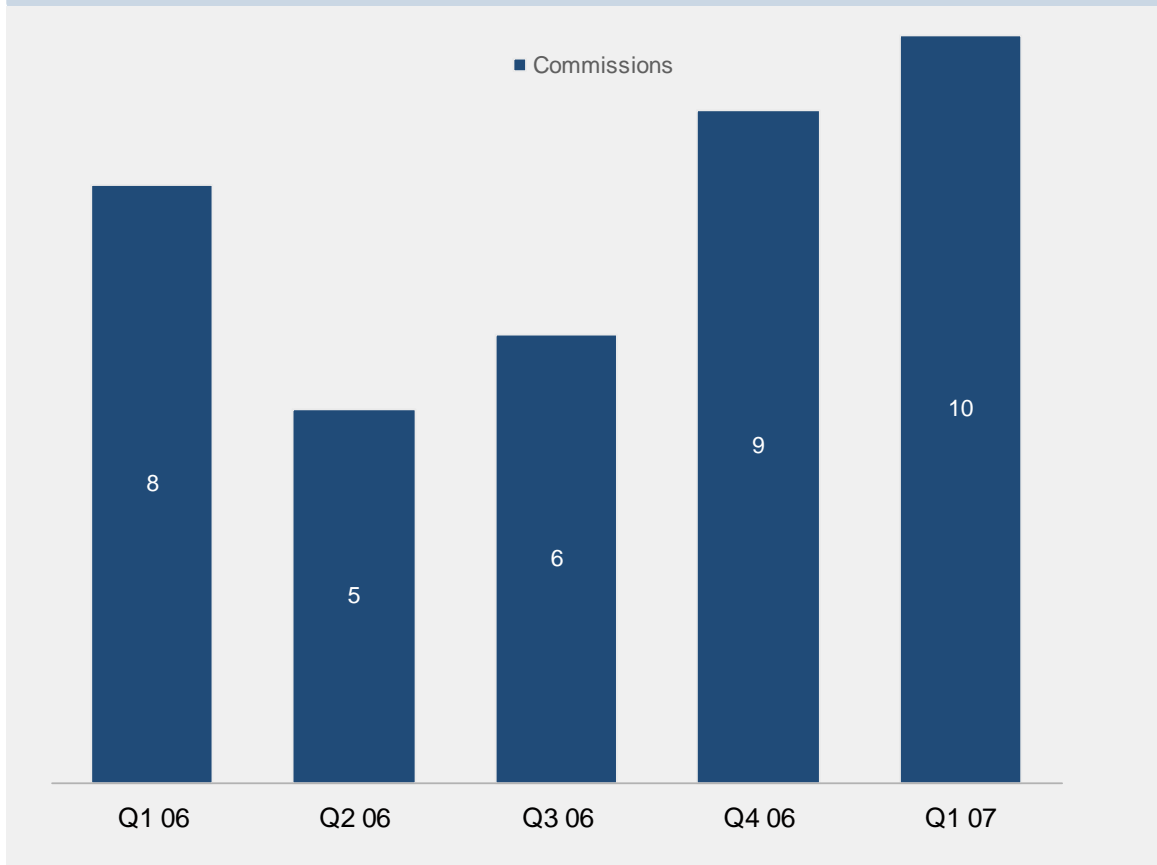


## INTERNATIONAL BUSINESS

- Teams on the ground in both Copenhagen and London
- Strong pipeline with continued focus on higher margin acquisition and structured financing product
- Good progress in ramping up CLO warehouse facility



## RESULTS (EUR m)



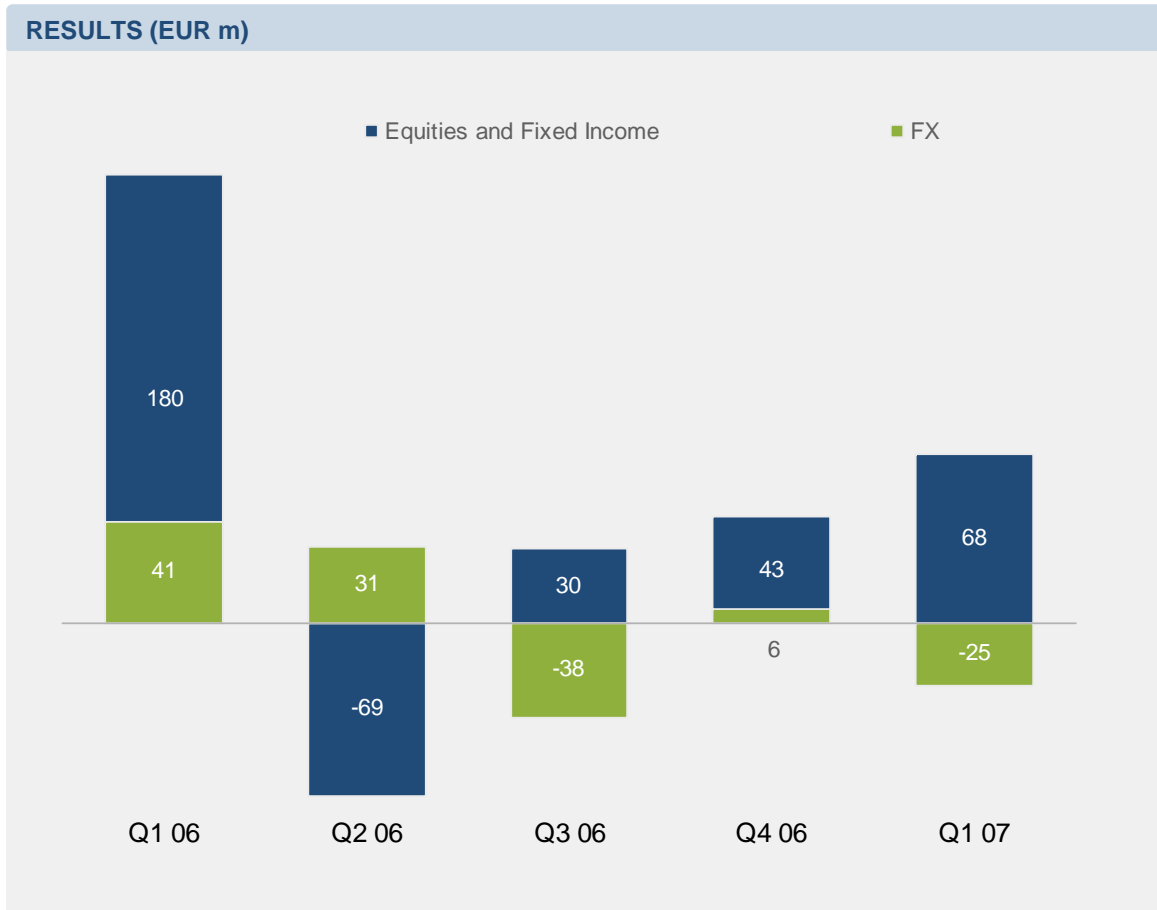
## OPERATING PERFORMANCE

- 25% increase in revenue compared to Q1 06
- 11% increase in revenue compared to Q4 06

## INTERNATIONAL BUSINESS

- Complimenting our brokerage business by offering innovative service and products to our clients
- Growing team in London, trading FX, interest rates and credit derivatives
- Aim to establish a presence in other Nordic countries

# Proprietary trading



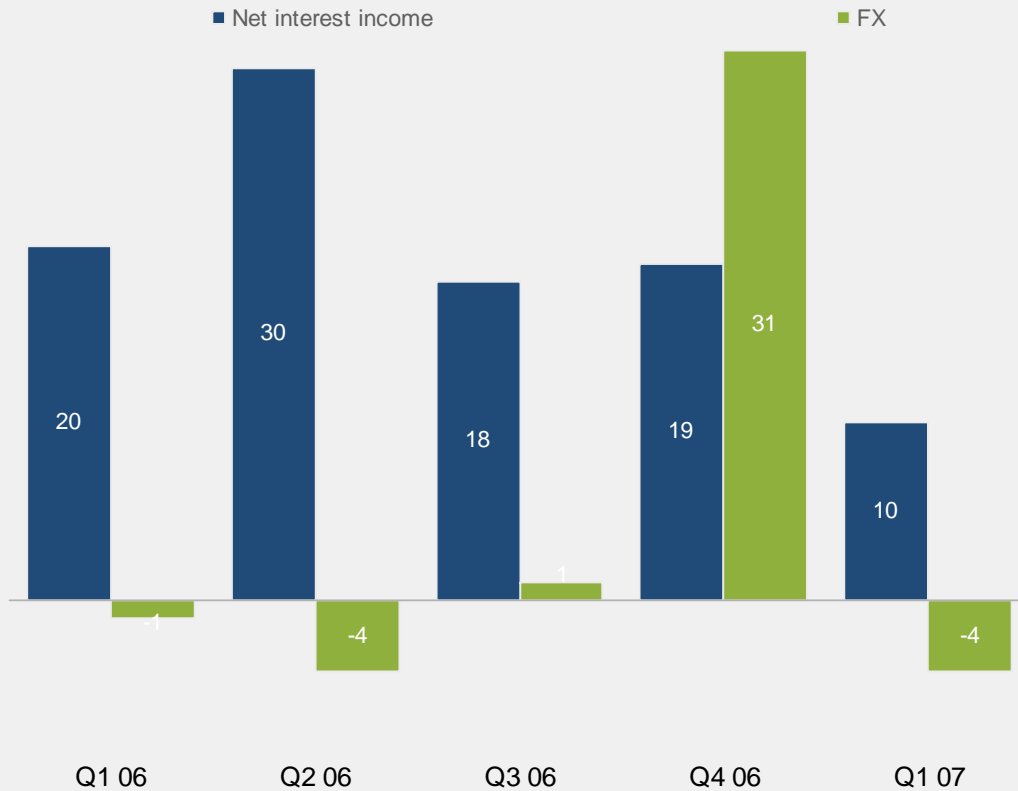
**EQUITIES AND FIXED INCOME**

- Majority of the equity portfolio invested in foreign assets
- A solid result of EUR 68 million from equity and fixed income trading in Q1 07, generated;
  - Domestically EUR 15m
  - Abroad EUR 53m

**FOREIGN EXCHANGE**

- Loss of EUR 25 million in Q1 07 from FX trading
- Carry trade still providing momentum for the ISK

## RESULTS (EUR m)



## OPERATING PERFORMANCE

- EUR 400 million syndicated loan finalized
- Healthy pipeline for bilateral and other forms of funding
- Continued investor marketing in new markets
- Strong growth in growth in corporate and institutional deposits

## INTERNATIONAL BUSINESS

- Successful recruitment for Treasury in Copenhagen
- Plans for the Treasury operation in London in process

# Key ratios Q1 07

KEY RATIOS	
<b>P/B :</b>	1.3
<b>Share price:</b>	20.20
<b>Share capital:</b>	102,181,015
<b>Market value:</b>	2,064,056,503
<b>EPS:</b>	0.007
<b>Cost/Income:</b>	13.2%
<b>CAD:</b>	32.8%
<b>Tier 1:</b>	30.30%
<b>Provision ratio:</b>	1.17%
<b>Non performing loans:</b>	0.00%



\*Annualized

# Key transactions in Q1 2007

## Acquisition of Kilroy Travels International



Straumur-Burðarás acted as sole financial advisor and arranger of financing

on this transaction

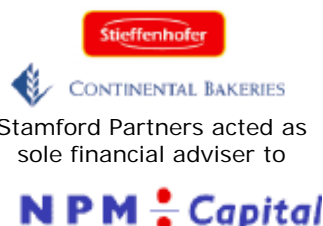
## Acquisition of Europcar Denmark, largest car rental in Denmark



Straumur-Burðarás acted as sole financial advisor and arranger of financing

on this transaction

Stieffenhofer (Ger) has been acquired by Continental Bakeries (Neths) an investee company of NPM Capital (Neths)



Stamford Partners acted as sole financial adviser to



on this transaction

Pork Farms Bowyers (UK) the chilled savoury pastry division of Northern Foods plc (UK) has been acquired by Vision Capital (UK)



Stamford Partners acted as sole financial adviser to



on this transaction

## Burton's Foods (Holdings) Limited (UK)

An investee company of HM Capital Partners LLC (US) has been sold to Duke Street Capital (UK)



Stamford Partners acted as sole financial adviser to



on this transaction



Straumur-Burðarás Investment Bank hf.

€400,000,000

Syndicated Term Loan Facility



## Financing of House of Fraser



Straumur-Burðarás acted as Senior Secured Loan Junior Lead Arranger

## Financing of České radiokomunikace



Straumur-Burðarás acted as Mezzanine Loan Co-Underwriter

## Financing of Towergate partnership



Straumur-Burðarás acted as Senior Secured Loan Sub-Underwriter



Acquisition of White Horse a Swedish real estate portfolio

SEK 2,730 m  
68 residential properties  
347,360 sqm  
4,528 apartments



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Q & A

# Contents

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2 Financial performance

3 Q&A

4 **Property Group**





JESPER DAMBORG  
CEO

COMPANY PRESENTATION  
Property Group A/S  
April 26, 2007



 CORE MARKETS

- Dynamic investment company
- Incorporated on January 1, 2006
- Equity DKK 260m
- Head office in Copenhagen
- Local office in Sweden
- 32 employees





- **MISSION**  
To identify, acquire and develop superior real estate products for private and institutional investors.
- **VISION**  
To be among the major real estate investment companies in the Nordic region within the next three to five years.



## MANAGEMENT & DIVERSIFICATION

Actively managed and diversified property portfolio in the core markets

## RETURNS

Provide returns based on long term secured cash flows

## CAPITALISE ON THE GAP

Capitalise on the gap between property yields and the cost capital whenever possible

## EXPOSURE

Provide investors exposure to real estate combining:

- Liquidity
- Tax efficiency
- Substantial annual dividends





## PROPERTY COMPANIES

- Shares
- Unlisted limited liabilities companies
- From DKK 100m

## PRIVATE LABELS

- Institutional investors and banks
- Private pension funds





## SERIOUSNESS

**Seriousness:** All our actions are based on our extensive experience in the real estate sector. Top quality and professionalism characterize the way we handle all projects.

## SENSE OF ORDER

**Sense of order:** Good order, integrity and objectivity are reflected in our work processes. These are keywords in our way of thinking.

## SOLVENCY

**Solvency:** We are a well capitalised company. Our financial resources enables us to handle acquisitions of portfolios of almost all sizes.

## INVESTMENT & BUSINESS CASE

"We expect all our investments to have both an investment and business case"

Jesper Damborg, CEO

## RISK MANAGEMENT

"Our investment processes are tailored to detect and avoid all risks that can be avoided"

Claus Klostemann, Partner

## GEOGRAPHY & SECTORS

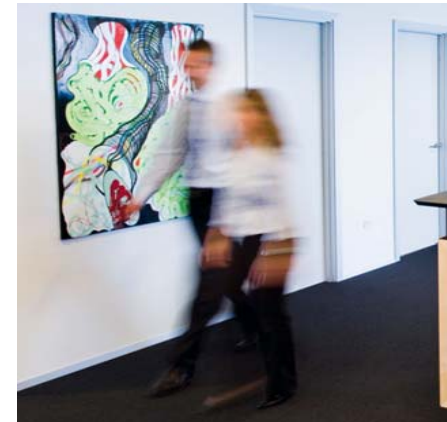
"Our real estate projects are based on a geographic spread, and we operate in three core sectors: retail, office and residential"

Lutz Könnecker, CEO

## DUE DILIGENCE

"Before our projects are offered we undertake an in-depth review of the financial and technical aspects and risks"

Michael Lexner, Partner





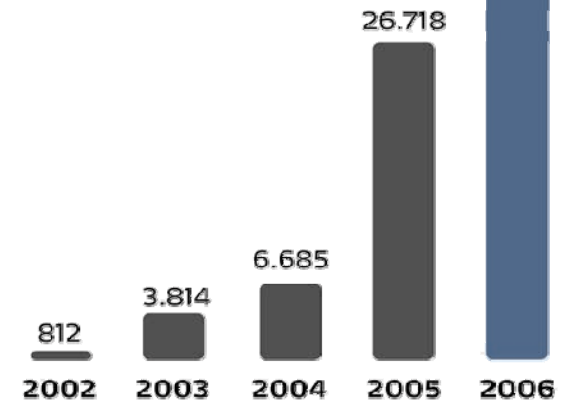
- **50,1%**  
Straumur Burðarás
- **37,5%**  
5 Danish partners
- **12,4%**  
B2B Holding ehf.

■ **50,1%**

**Straumur Burðarás, Iceland**

Leading Icelandic investment bank with operations in the Nordic countries and the UK.

45.211



■ **12,4%**

**B2B Holding ehf.**

Owned by Birgir Thor Bieltvedt, investor in Illum and Magasin du Nord, the leading department stores in Denmark.





PROPERTY GROUP

# THE PARTNERS



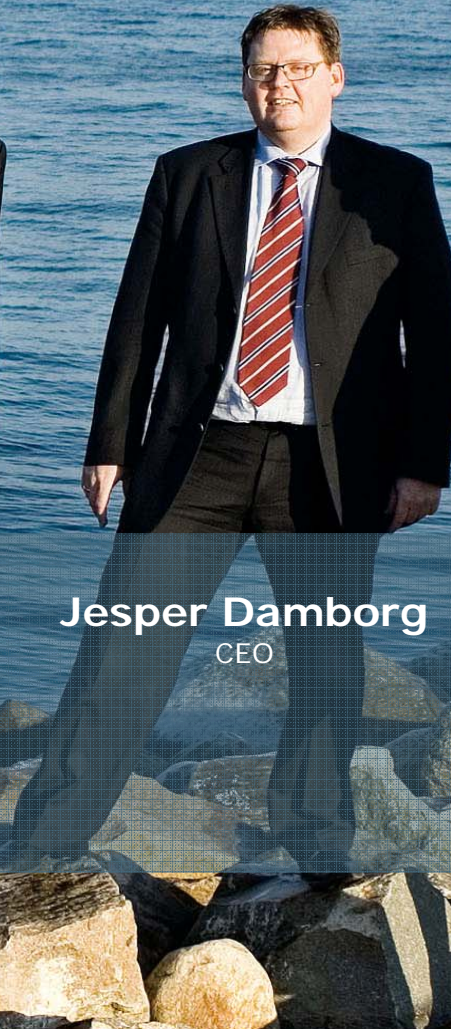
**Michael Lexner**  
Investments in Finland and  
Sweden



**Henrik Mikkelsen**  
CFO



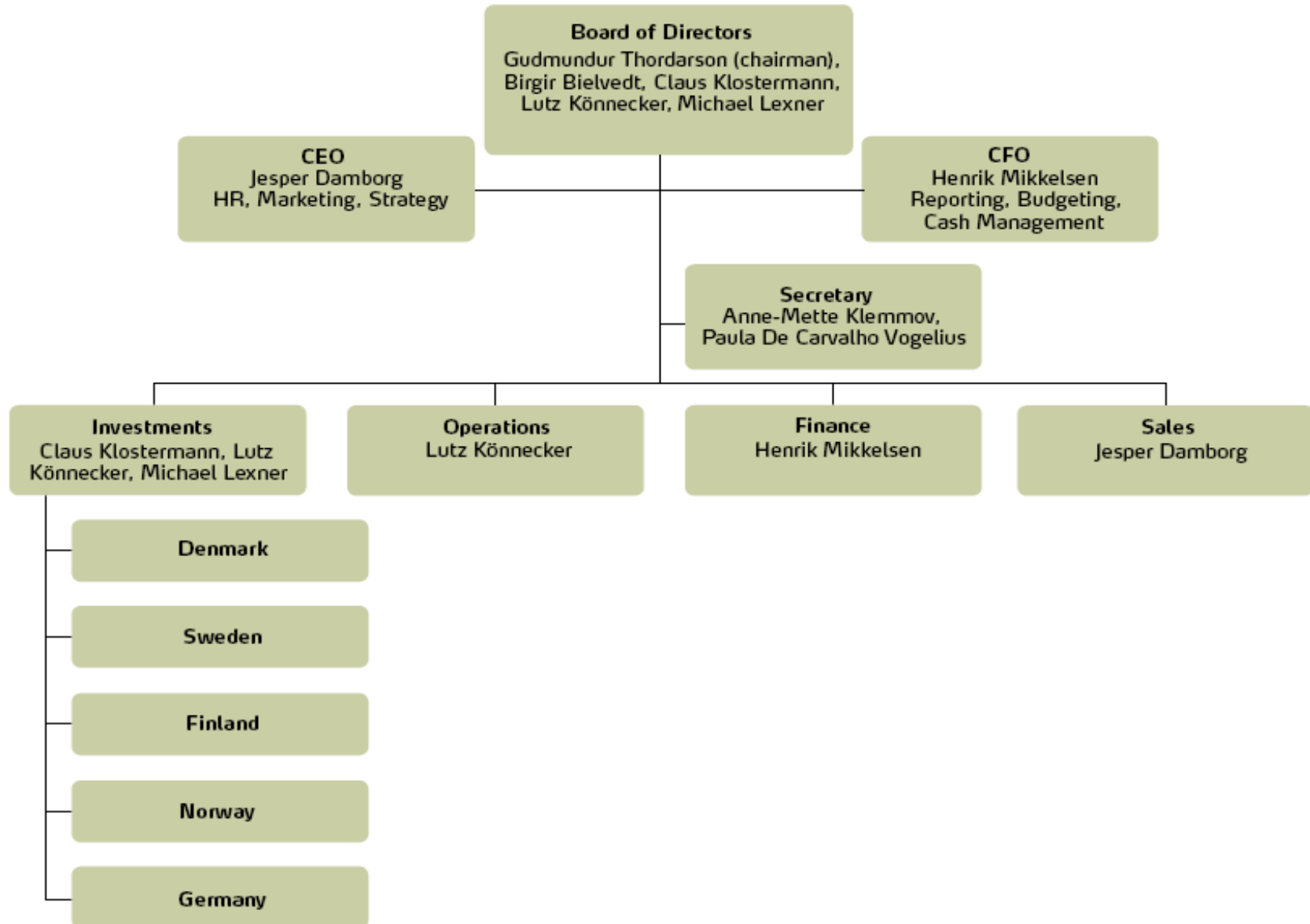
**Lutz Könnecker**  
Operations and investments  
in Germany



**Jesper Damborg**  
CEO

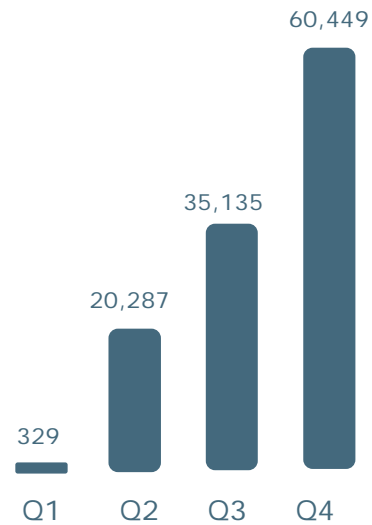


**Claus Klostermann**  
Investments in the Nordic  
region and Germany

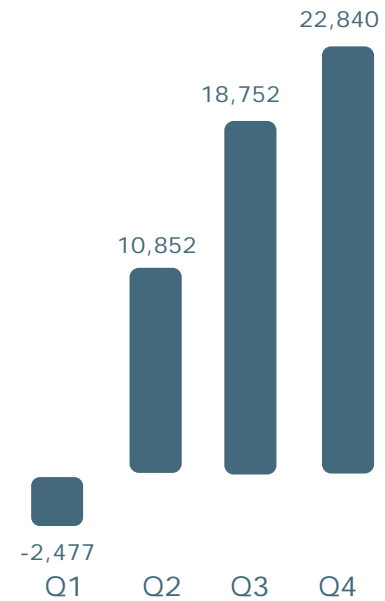




## KEY FINANCIAL FIGURES 2006



Income (Q/Q) DKK in mio.



Profit after tax for the year (Q/Q) DKK in mio.

- Location in selected cities
- High quality buildings
- Strong cash flows
- Capital growth
- Dynamic buy and hold strategy





## IDENTIFICATION

### Identification

- Employees in PG have an extensive network within real estate
- PG offers a wide variety of properties in all markets and segments

## ACQUISITION

### Acquisition

- Excellent advisors in local markets; independent valuation has to match purchase price
- Extended market test via network confirming acquisition price. Has lead to immediate sale in the past

## ADMINISTRATION

### Administration

- Local/nationwide administration with performance based remuneration
- Weekly up-date through specially developed monitoring system

## EXIT

### Exit

- International network; Uk, Ireland, Iceland and in the Nordic countries
- Access to good investor base both in regard to co-investment and exit

- Wide spread network in all investment phases
- Structured approach to documentation and valuation
- Standard valuation tools
- Experience within investment and real estate market





PROPERTY GROUP

# SELECTED TRANSACTIONS





## WHITE HORSE, SWEDEN

### KEY WORDS

- Major Nordic transactions in 2007

- Acquired March 2007
- Purchase price SEK 2,730 m
- 68 residential properties
- 347,360 sqm
- 4,528 apartments





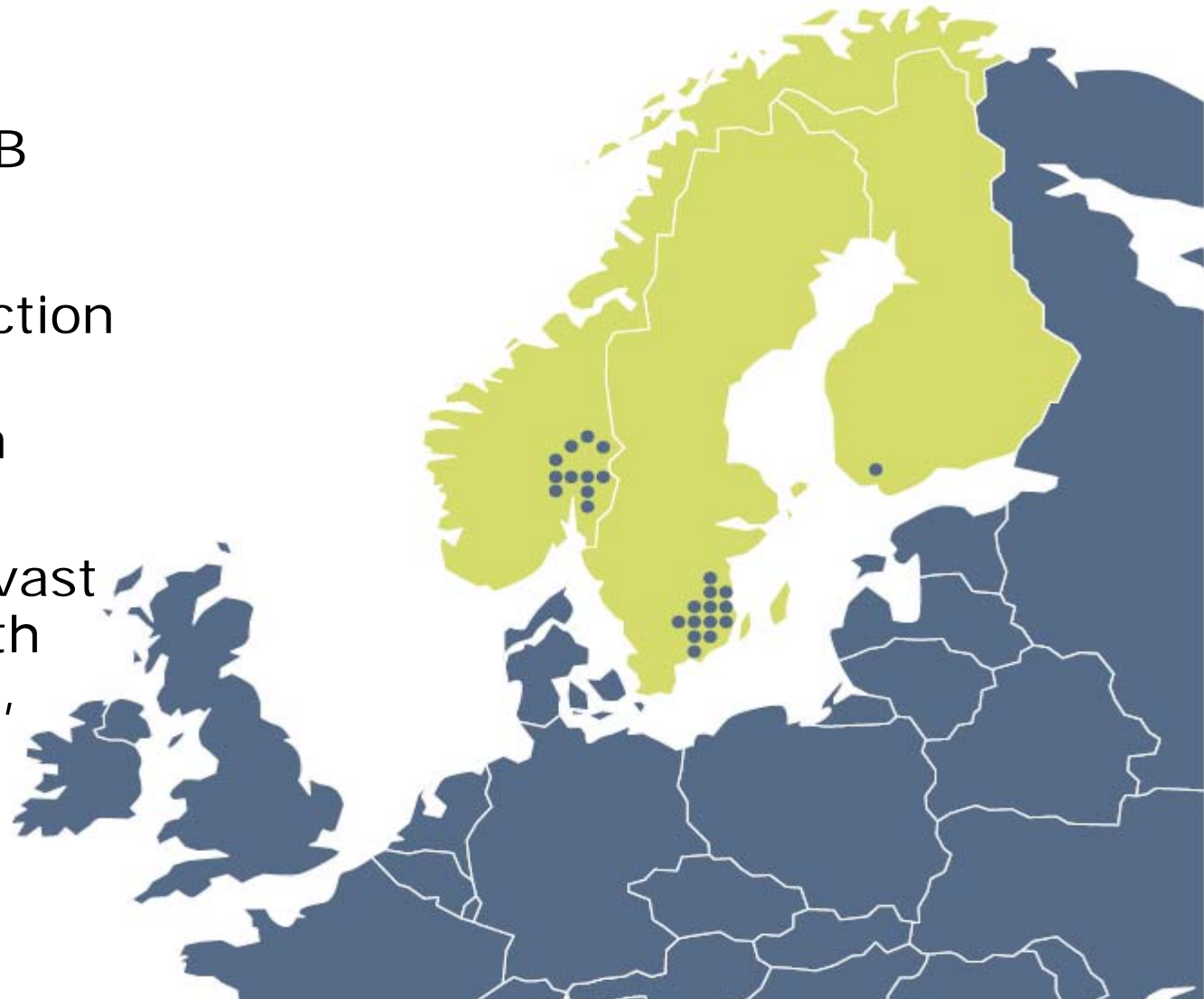


## PG NORDIC LIGHT AB

### KEY WORDS

- Pan-Nordic transaction capability
- Risk diversification

Nordic Light owns a vast property portfolio with properties in Norway, Finland and Sweden.



## ØSTERGADE 60, COPENHAGEN

### KEY WORDS

- Trading
  - Market in-sight
- 
- Acquired in May 2006
  - Best retail location in Copenhagen
  - Total area approx. 1,800 sqm
  - Sold in July 2006



## METROPOL SHOPPING MALL IN HJØRRING DK

### KEY WORDS

- Private placement
  - Retail competence
- 
- 15,072 sqm
  - 450 parking spaces
  - Lease contracts with significant chain stores
  - Acquired in September 2006
  - Placed in September 2006



## WIRTSCHAFTSZENTRUM, HAMBURG

### KEY WORDS

- Rising take-up in office investments
- Low vacancy
- 6,732 sqm
- 132 parking lots
- Lease contracts with public authorities/initiatives (almost half of the cash flow)
- Purchase price € 12,6m
- High yield compared to the market (gross 6,78%)



## FASTPROP AB

### KEY WORDS

- Swedish property company set up with Fast Partner, listed on the Swedish stock exchange
- Owns a range of properties in Gävle, north of Stockholm
- Valued at approx. SEK 690m



## SAMPO RETAIL PORTFOLIO

### KEY WORDS

- Buy and build
- 12 properties in major and medium sized cities
- Prime retail locations
- 13,856 sqm
- Major tenant Sampo Bank
- Purchase price € 10m





PROPERTY GROUP

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