

UK property equities

UK REITs ranked by performance, January 2007

The early January falls in REIT shares continued to affect performance in the second half of the month, with only GPE staying in positive territory

Company	Last price (pence, end of Jan)	Market cap (£bn)	Jan total return (%)	Jan 07 performance relative to AME UK REIT index (%)	Jan 07 performance relative to FTSE 100 (%)	Jan 07 performance relative to UK prop. companies (%)
1. Great Portland Estates	704	1.1	1.4	9.0	1.7	1.9
2. Workspace Group	480	835	-3.4	3.8	-3.1	-2.9
3. Slough Estates	743	3.5	-5.4	1.6	-5.2	-5.0
4. Primary Health Properties	504	122	-5.8	1.1	-5.6	-5.4
5. Hammerson	1,466	4.2	-7.0	-0.1	-6.8	-6.6
6. Land Securities	2,140	10.1	-7.9	-1.1	-7.6	-7.5
7. British Land	1,569	8.1	-8.1	-1.3	-7.9	-7.7
8. Liberty International	1,270	4.6	-9.0	-2.3	-8.8	-8.6
9. Brixton	506	1.3	-12.2	-5.6	-11.9	-11.8
Benchmarks						
AME Capital UK REIT Index	93.3	34.0	-6.9	n.a.	-6.7	-6.5
FTSE100	6203	1,540	-0.3	7.1	n.a.	0.2
UK Property companies *	n/a	36.2	-0.4	6.9	-0.2	n.a.

SOURCE: AME CAPITAL * Market cap weighted average return, excluding REITs

UK REITs ranked by performance, 1-16 February 2007

REIT shares rallied in the first two weeks of February, recovering most of January's losses

Company	Last price (pence, 16 Feb)	Market cap (£bn)	Feb 1-16 total return (%)	Performance relative to AME UK REIT index, 1-16 Feb (%)	Performance relative to FTSE 100, 1-16 Feb (%)	Performance relative to UK prop. cos, 1-16 Feb (%)
1. Hammerson	1,658	4.7	13.1	6.3	9.1	8.7
2. Great Portland Estates	774	1.3	10.0	3.3	6.0	5.7
3. Land Securities Group	2,285	10.7	6.8	0.4	3.0	2.7
4. Slough Estates	785	3.7	5.7	-0.7	1.9	1.6
5. Brixton	531	1.4	4.8	-1.5	1.1	0.8
6. British Land Co	1,641	8.6	4.6	-1.7	0.9	0.6
7. Workspace Group	498	0.9	3.9	-2.4	0.1	-0.1
8. Liberty International	1,317	4.8	3.7	-2.5	0.0	-0.3
9. Primary Health Properties	485	0.1	-3.8	-9.6	-7.2	-7.5

SOURCE: AME CAPITAL

UK property equities (excluding REITs) top 10 performers, January 2007

Company	Market cap January (£m)	January return (%)	Jan return relative to FTSE 100 (%)
Abraxus Investments	1.9	36.4	36.7
Conygar Investment	42.7	33.8	34.2
Speymill Group	47.1	32.8	33.1
Oak Holdings	17.7	21.4	21.7
Northern European Prop.	361.7	16.8	17.1
CW Residential	6.7	16.1	16.4
Safeland	19.1	14.4	14.7
Dolphin Capital	418.3	13.4	13.7
First Property Group	20.3	12.3	12.6
Dawnay Day Treveria	656.5	12.1	12.4

SOURCE: AME CAPITAL

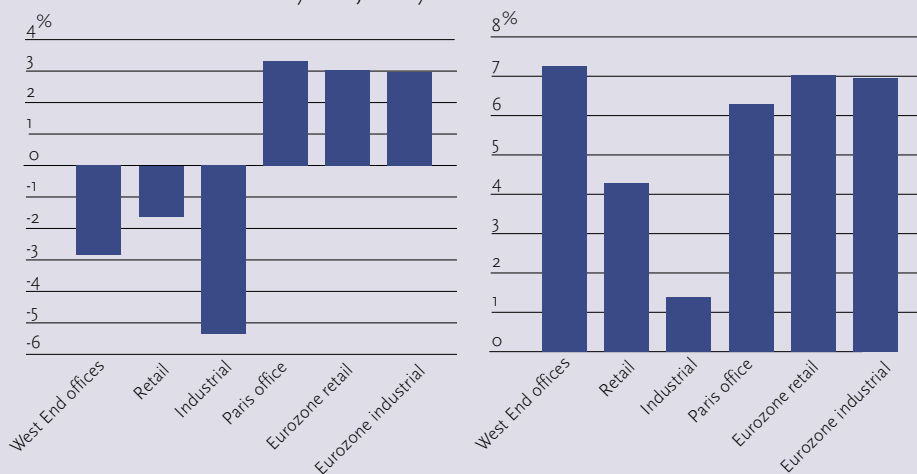
UK property equities (excluding REITs) top 10 performers, first two weeks February 2007

Company	Market cap to 16 Feb (£m)	Return to 16 Feb (%)	Return 1-16 Feb relative to FTSE 100 (%)
Halladale Group	115.9	31.5	27.7
Amazing Holdings	26.4	19.3	15.8
OEM	0.9	19.0	15.5
Dawnay Day Carpathian	185.7	18.2	14.8
Town Centre Securities	342.1	14.6	11.2
Property Recycling Group	23.3	12.1	8.9
Big Yellow Group	796.0	10.4	7.1
Invista Real Estate	365.2	10.1	6.9
St Modwen Properties	707.7	9.5	6.3
Humberts Group	43.6	9.2	6.0

SOURCE: AME CAPITAL

AME UK sector indices, January return (left) and 1-16 February return (right)

West End offices led a recovery after January's falls



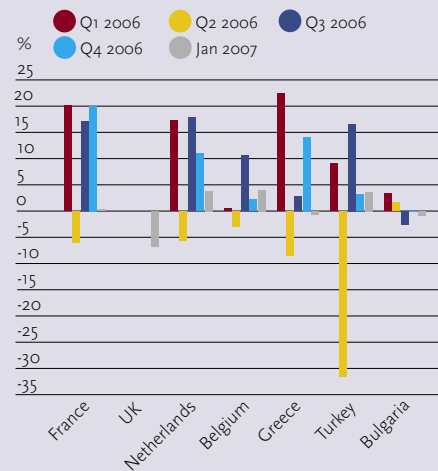
West End offices: Great Portland Estates, Derwent London, Shaftesbury **UK retail:** Liberty, Capital & Regional, LAIT

UK industrial: Brixton, Slough, A&J Mucklow

SOURCE: AME CAPITAL

European REITs performance 2006-2007

May 2006's "correction" affected all markets



SOURCE: AME CAPITAL

IPO activity in UK, January-March 2007

There was only one listing in January and that was scaled back, compared with 11 in a very busy December

Company	Asset focus	Listing date	Estimated size of offering	Flotation price (pence)	Current price (pence)	% change since IPO	Market cap at 31 December (£m)
Dev Property Development	India	29 Jan	€138m	100	119	19	164
Ablon Group	Budapest	2 Feb	£87.5m	250	251.5	0.6	n.a.
Commercial Group	Kent-based developer	Feb	n.a.	n.a.	n.a.	n.a.	n.a.
Chagala Group	Kazakhstan	21 Feb	£186m	n.a.	n.a.	n.a.	n.a.
Charlemagne Capital	India	Feb/Mar	£25.1m	n.a.	n.a.	n.a.	n.a.
3i Infrastructure	Infrastructure	Mar	£1300m	n.a.	n.a.	n.a.	n.a.

SOURCE: AME CAPITAL

EG Capital commentary

The listed property sector fell about 7% in January, partly in reaction to the month's surprise interest rate rise and as general funds took profits after a strong end to 2006.

The big UK REITs were some of the worst fallers. Only Great Portland Estates ended the month up, by 1.4%. But the sector rallied in February to recover much of January's losses.

British Land fell 3% to 1,619p on 13 February after cautious comments by chief executive Stephen Hester about the end of yield shift and a 1.7% valuation rise for the three months to December, lower than IPD's 2.6%.

Liberty International and Land Securities were both dragged down by British Land but recovered, Liberty thanks to strong final results and Land Securities by a revaluation of its REIT-qualifying property assets that

showed a £367m surplus in the value of outsourcing business Land Securities Trillium.

The top performer in the first half of February was Halladale, after Australian property group Stockland made an agreed £171m offer for the opportunistic developer/fund manager. Halladale chief executive David Lockhart would be executive chairman of the private Stockland Halladale. The 225p offer was a 34% premium to the closing price on the day of the offer, 6 February.

London Merchant Securities delisted as a result of its merger with Derwent Valley, relisting as Derwent London on 1 February. Two more property companies announced dates to convert to REITs: McKay Securities plans the change on 1 April and industrial specialist A&J Mucklow, which is 41%

owned by the Mucklow family, on 1 July.

Safestore, the UK's biggest self-storage business and Europe's second largest, announced that it would float at the end of February at an expected value of nearly £500m. It is tipped to convert to a REIT and follow self-storage rival Big Yellow, the best performing property share over 2006, which it is still negotiating over its tax status.

Following the active end to last year there was, not surprisingly, little IPO activity in the UK or Europe in January and early February. The only January IPO, Dev Property Development, was forced to halve the capital it raised. It is an investor in India and followed four other Indian property company flotations in December. A sixth, Charlemagne Capital, aims to list at the end of the month.