



Nov2008

L&R
LONDON & REGIONAL
PROPERTIES



London & Regional Properties – Executive Summary

- A private group of International companies established in 1987 and owned by brothers Richard and Ian Livingstone
- One of Europe's largest privately owned property companies with a world-wide investment and development programme exceeding €9.00 Bn.
- The L&R Group has investments in over ten countries and has offices in London, Stockholm, Moscow, Panama City and Kiev.
- Prime focus on four main areas of UK & International business:-
 - **Property Investment:** Long term, secured income streams.
 - **Distressed Assets:** All substantial investment considered.
 - **Hotel Investment:** Sale & Leaseback & Management Contracts.
 - **Leisure:** Leisure, health, fitness and hospitality uses.



London & Regional Properties – A Global Perspective

L&R Group assets are valued in the region of €9.00 Bn and investment activities are undertaken in more than ten countries including UK, Sweden, Germany, Switzerland, Russia, Ukraine, South Africa and Panama.

The UK portfolio stands at approximately €4.6 Bn. It includes prime and secondary office and retail investments, prime central London hotels, several substantial sale and leaseback portfolios and some exciting mixed use London development schemes.

Non UK investments exceed €4.4 Bn. Investment stock typically comprises trophy hotels, leisure resorts, office buildings, retail shopping centres and construction projects. L&R also has a significant shareholding in NR Nordic & Russia Properties Limited, an AIM listed property company launched in 2006 and managed by L&R.

Recent international transactions include the acquisition of the Zurich Radisson, a prime 330 room hotel and office investment in the heart of Zurich airport and the acquisition of the business and property assets of David Lloyd Leisure Limited, the premium racquets, health and leisure business.

L&R also has development programmes in both Russia and Panama City where we acquired Howard Air Force base for long term redevelopment to create a major new community with over one million square metres of retail, commercial and logistics facilities, 20,000 homes and over 1,000 hotel rooms

The “L&R” group has offices in London, Moscow, Panama City, Stockholm and Kiev



ILLUSTRATIVE L&R INVESTMENT ACQUISITIONS



UK: David Lloyd Leisure and Next Generation Clubs

In 2006, L&R acquired Next Generation Clubs, the UK's second largest racquets, fitness and health clubs group in the premium sector. In 2007, L&R acquired David Lloyd limited, the leading racquets and fitness Club operator in the UK. These businesses have now been integrated and now operate from over 85 clubs in five countries.



UK: Leisure Portfolio

In July 2001 L&R bought 17 freehold Nightclub Properties, including the Empire Leicester Square. All properties were leased back on new indexed 25 year leases with good prospects for future asset management opportunities. We have since re-let Leicester Square to LCI plc and the majority of the rest of the portfolio is now let to Luminar plc and Stanley Casinos plc.



UK: General Healthcare Group

In May 2006, L&R, as part of a consortium led by Netcare, purchased the operating company and occupational real estate assets of General Healthcare Group, a leading provider of independent healthcare services in the UK, with over 49 acute care patient hospitals as well as assets held and operated through the Netcare UK divisions.



Germany: ATU

L&R acquired a substantial portfolio of 271 automotive retail workshops, headquarters and distribution centre premises let to ATU, Germany's leading car parts retailer. An unusual feature of this deal was the unique Triple Net lease which ensured investment simplicity for L&R and operational flexibility for ATU.



Germany: Hilton Frankfurt

In March 2005, L&R acquired the Hilton in Frankfurt, a outstanding five star, 342 bed luxury hotel located in the heart of the City of Frankfurt. It held on a Freehold basis and is let to Hilton on a 30 year indexed lease.



Poland: Rondo 1

In March 2006, L&R acquired "Rondo 1", a brand new, world-class multi-occupied 40 storey office investment comprising 75,000 Sq M situated in prime Warsaw CBD. The property was developed and is managed by Hochtief.



Sweden: ABB Portfolio

L&R acquired ABB's Swedish Property Portfolio in 2002, comprising 44 facilities of approx 1.1 million Sq M of which one third are offices and the remainder industrial. The lease terms allow occupational flexibility for the tenant and medium term opportunities for capital growth through asset management for the landlord.



Switzerland: Zurich Radisson

In 2008 L&R completed the acquisition of this eleven storey hotel & high specification office building located in the heart of Zurich Airport. The hotel comprises 330 rooms, a conference centre, meeting rooms and two restaurants leased to Radisson. The office component is occupied by McKinsey management consultants.



Russia: Novosibirsk Hotel/Office Development

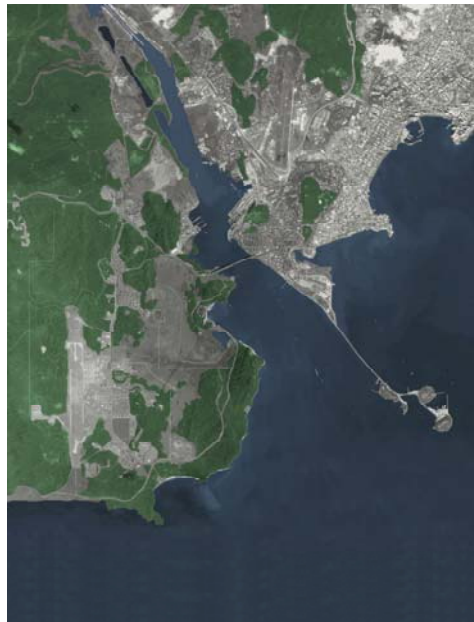
In May 2006 L&R purchased a 0.5 Ha site in Novosibirsk, Russia's 3rd largest city and have just completed the construction of a 10,000 Sq M prime office building and 187 room quality hotel complex leased to Hilton.



South Africa: The V&A Waterside Development

L&R, as the major partner in a consortium, acquired the Victoria and Alfred Waterfront development in the heart of Cape Town's harbour in South Africa. The V&A Waterfront is an internationally renowned 120 hectare Leisure, Retail, Hotel, Office and Marina complex set between Robben Island and Table Mountain.

The development serves over 21m customers a year. We have plans to continue developing outstanding retail and leisure facilities within the development thus ensuring its prominence as one of the World's premier leisure locations.



Central America: Panama Pacifico

In one of the largest development deals ever recorded, L&R was selected Master Developer for the landmark 2,750 acre former Howard Air Force Base in Panama City, Central America. L&R is working up a detailed masterplan for an entire new city district of some 50M Sqm overlooking the Pacific Ocean and Panama Canal.

This new, high quality, district will include the full range of residential, retail, office campus, hotel and leisure, inter-modal distribution, aviation and supporting infrastructure facilities that one would expect of an modern international City expansion project.

UK DEVELOPMENT PROJECTS

55 BAKER STREET, LONDON W1



In 2005, London and Regional acquired the former M&S headquarter building for £110M and embarked on an ambition plan to develop 600,000 sq ft of prestigious prime West End office accommodation with exciting restaurant and leisure facilities, stunning receptions and full-height public atria. The scheme also incorporates some complementary quality residential accommodation.

The development has an unbroken frontage of 138 metres along Baker Street. It enjoys first class transport links (Baker Street and Bond Street stations) and is within easy walking distance of Oxford Street and the fashionable shops and restaurants within Marylebone High Street.



The development completed in 2008 and the office accommodation is already virtually fully leased. Occupiers include BDO Stoy Hayward, Knight Frank and Mercer Oliver Wyman Ltd and Brevan Howard. The gym and leisure facilities are operated by Fitness First and restaurants and cafes include Canteen and Costa Coffee.

FIRST CENTRAL BUSINESS PARK, WEST LONDON



L&R is developing a 120,000 Sq M Headquarters Office Park on the A40 with excellent communications to London's West End and Heathrow airport.

L&R has already developed an award winning 19,000 Sq HQ for Diageo plc and is constructing a further 19,000 Sq M speculative office.

We have already completed road links to the A40, extensive landscaping and feature lakes, residential apartments and leisure amenities.

Further phases will comprise 7 headquarters buildings, hotel, fitness club, restaurants and a new underground metro station.



Greenwich, London

L&R is undertaking an exciting and very substantial mixed use, river front development scheme at Lovell's Wharf, near to the famous Cutty Sark public house in Greenwich.

The scheme, will include over 700 apartments, a 100 guest room hotel, a landmark office building, Health, Leisure, Restaurant, shopping facilities and Eco centre.



Cumbernauld, Lanarkshire

London & Regional completed the development of a 37,000 Sq M shopping centre in Cumbernauld, Scotland in 2007. The scheme is anchored by a range of well known national multiple retailers and has established itself as the dominant centre in the locality.



London WC1, St Georges Court

In March 2001 L&R purchased St George's Court in Bloomsbury, London and extensively refurbished the building to provide 20,000 SqM of office accommodation for The Ministry of Defence. The refurbishment was completed in December 2002.



London EC2, 68 King William St.

In January 2000 L&R purchased 68 King William Street, located immediately at the city end of London Bridge. L&R completed the 25,000 SqM refurbishment of the building in June 2003 comprising a new department store for House of Fraser and serviced offices operated by Regus

HOTELS

HOTELS INVESTMENT AND DEVELOPMENT



L&R has substantial expertise in the hotel investment field and has many direct and indirect ownership hotels in the UK, Germany, Russia, Switzerland and Turks and Caicos.

Hotel investments in the portfolio include The Hilton in Frankfurt, the Hilton Park Lane and Green Park in London's Mayfair, the Radisson in Zurich and many Hilton hotels we are constructing across Russia.



The Trafalgar hotel in London's Trafalgar Square is the group's flagship owner-developed property and clearly displays L&R's credentials for creating innovative and stylish hotel product in an environment of rigorous cost management.



The L&R hotels team invests in both traditional leased and management contract hotels where it uses its understanding of hotel operations to include an element of hotel operations risk (turnover or profit related) in its transaction structures where appropriate. This element, when correctly set, advantages the investor through an enhanced return and the operator through a partnership of aligned interests with its owner.



The Hilton, Park Lane

L&R purchased the five-star Hilton Park Lane in London's Mayfair, overlooking Hyde Park in 2001. The hotel has 450 rooms and 55 luxury suites and several outstanding restaurants and recently underwent a £22m, two-year refurbishment programme.



The Trafalgar Hilton, London

L&R were the developers of the 129 room Trafalgar Hotel which opened in March 2001 and is operated by Hilton International. The investment also includes a themed destination restaurant and bar.



The Green Park, London

L&R acquired the freehold of the Green Park Hotel in Mayfair in 1999. This 162-room, four star town-house hotel is also run by Hilton International.