

THE RUGBY TIMES

www.rugbyestates.plc.uk

2006



AIM listing -
£122.5m of
equity raised

Pages 1 & 3



Reading
Pre-Let
Development
Completed

Page 2



Stratford
Purchase

Page 3

Rugby Estates Plc

Financial Highlights (year to 31st January 2006)

- Profit before tax - £5.4m
- Dividend per share up 10% at 5.68p
- 10th successive 10% increase in dividend
- Triple net assets per share up 16% at 420p
- Gearing under 5% at year end
- Portfolio return - 24.4%
- June 2005 – Moved to AIM
- Property acquisitions in London, Leeds, Chepstow, Sedgfield, Oxford and Birmingham

Rugby Estates saw growth in all aspects of its business: in the Covent Garden Limited Partnership with ING; in the London Industrial Partnership with Merrill Lynch and Bank of Scotland; in the 'Iconic' venture with London and Newcastle; and in its own portfolio. In addition in March 2006 O Twelve Estates Limited was established, an AIM listed vehicle for which Rugby Asset Management has been appointed property adviser. This edition of the Rugby Times highlights the expansion in all aspects of Rugby's various businesses

TWELVE YEAR RECORD SINCE FLOTATION IN 1994

- £700m of property transactions
- £65m pre-tax profit
- NNNAPS April 1994: 127p
- NNNAPS April 2006: 420p
- Dividends: 76p
- Annualised return on net assets: 13% p/a
- Share price increase 335 %

ICONIC

For more news see pages 2, 3 & 4.

NEW OFFICE CONTACT DETAILS

David Tye	ddi	020 7016 0051
david.tye@rugbyestates.plc.uk		
Andrew Wilson	ddi	020 7016 0052
andrew.wilson@rugbyestates.plc.uk		
Stephen Jones	ddi	020 7016 0053
steve.jones@rugbyestates.plc.uk		
Neal Taylor	ddi	020 7016 0054
neal.taylor@rugbyestates.plc.uk		
Alex Wildman	ddi	020 7016 0055
alex.wildman@rugbyestates.plc.uk		
Roger Montaut	ddi	020 7016 0059
roger.montaut@rugbyestates.plc.uk		
Graham Elliott	ddi	020 7016 0056
graham.elliott@rugbyestates.plc.uk		



Written and Published by:

Rugby Estates Plc
t 020 7016 0050
f 020 7016 0080

www.rugbyestates.plc.uk

O Twelve Estates Limited on AIM Market

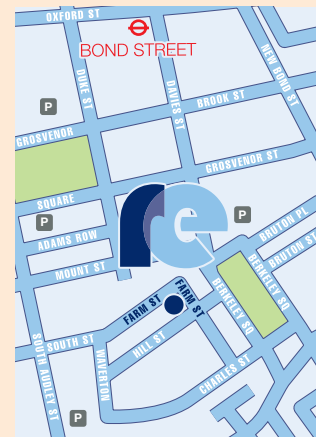
Rugby Asset Management has been appointed property advisor and manager to O Twelve Estates Limited which listed on the UK AIM market in March 2006. The shares immediately traded at a premium. The Guernsey based company has raised over £120m to acquire principally income producing assets in all sectors in the Thames Gateway, Essex, East London, North Kent and South Hertfordshire. Some developments will also be undertaken. Collins Stewart, Nabarro Nathanson, Norton Rose, Ernst & Young and Financial Dynamics were the key advisors. Rugby Estates has invested £4m in O Twelve Estates. Its first purchase is profiled on page 3.



Enfield: 500,000 sq ft industrial acquisition for £40m

London Industrial Partnership has acquired a large industrial investment in Mollison Avenue, Enfield. The Pension Fund vendor had been the owner for many years. The estate is over 24 acres, with some 500,000 sq ft of

industrial units occupied by approximately 100 tenants. £40m was paid reflecting £82 per sq ft overall. L.I.P. is a joint venture between Rugby Estates Plc, Merill Lynch Global Investors and Bank of Scotland. Glenny advised the partnership and have been retained as managing and letting agents. Dovetail has been appointed as the architects for a small unit development which is planned to commence later this year. (see page 2 'Enfield



Rugby back in the West End

After almost a decade in Covent Garden, Rugby Estates is to move to 4 Farm Street in the heart of London's Mayfair, close to Berkeley Square. The 5,500 sq ft building has recently been refurbished by the Earl of Rosebery. DTZ and Slater Michael advised Rugby. Savills advised the Lessor.

The Olympic "Swingometer"

Rugby Estates and Colliers CRE have published the "Swingometer" monitoring the progress of the twelve major infrastructure improvements to the eastern side of London leading up to the Olympic Games in July 2012. Further information is on page 2 of The Rugby Times.

Reading sale to Porcelanosa - see page 2



Rugby's Birthdays in Bournemouth

A 4,000 sq ft retail unit with upper parts has been sold in Bournemouth. It was let to Birthdays Ltd for 20 years from 1994. A yield of 5% was achieved. Churston Heard and Jackson Criss acted.



Central Ipswich investment sold

A major institution has acquired from Rugby Estates a builders merchants let to Jewson close to Ipswich town centre. Savills acted for Rugby, Lewis Ellis for the purchaser.



Reading development completed

It was reported in the 2005 edition of the Rugby Times that this pre-let warehouse and trade counter development had been funded by a limited partnership. This scheme was completed in the Autumn on time and on budget. The 50,000 sq ft project is let to Jewson for 25 years and is occupied by its plumbing and distribution subsidiary, Graham Group. Drivers Jonas acted for the Northern Ireland based purchasers.



Investors Chronicle: "bargain shares"

"If you want some exposure to both property fund management and the commercial property market, then Rugby Estates fits the bill. This hybrid company manages over £250m of property assets ... despite this stellar performance, the shares trade on a hefty discount to the company's triple net asset value, or break up value. The shares should arguably be trading on a premium to triple net asset value as the Asset Management business clearly has value. The fact that Rugby is being rated on a discount is anomalous". *Simon Thompson writing in the Investors Chronicle - 3rd February 2006.* Since the publication of this article Rugby's share price has moved forward to a premium to its triple net asset value.

"Swingometer"

Rugby and Colliers CRE launched the Swingometer at MIPIM in March. It will monitor the infrastructure improvements relating to the hosting of the Olympic games in 2012 in terms of timing and costs compared to their budgets. The Swingometer will be published several times a year until the commencement of the games in July 2012. Copies of the Swingometer are available from Rugby and Colliers CRE.



Covent Garden planning application submitted

In December, following discussions with Westminster City Council, a planning application was made by the ING Covent Garden Limited Partnership for a mixed use development in St Martin's Lane at its junction with New Row. The proposed scheme comprises five floors of office

accommodation, 11 flats and a large retail unit. The façade to St Martin's Lane is to be retained. The development has a completed value of approximately £40m. Cushman & Wakefield are the agents, Hunter Evans the Architects. Rugby Asset Management is property adviser to the Partnership.



Enfield planning application

As reported on page 1 London Industrial Partnership has acquired an industrial estate investment in the heart of the industrial area of Enfield. A planning application is to be made for a scheme of approximately 90,000 sq ft of small units. Construction is due to commence later this year. Dovetail are the Architects, Clark Associates the project managers. Rugby Estates has a 12% equity stake in L.I.P.

Exeter-Certificates of Lawfulness granted

Rugby has received from Devon City Council two Certificates of Lawfulness for open A1 retail use in regard to part of its holding at Sidmouth Road Sowton at junction 30 with of the M5 motorway.



Porcelanosa sale-Reading

Following the successful completion of the warehouse development in Cradock Road Reading, Graham Group has vacated the building they occupied in Rose Kiln Lane. This has been sold by Rugby Estates with vacant possession to Porcelanosa. The property comprises 27,000 sq feet on 1.25 acres.



Iconic result in Hackney

Hackney Borough Council has granted planning consent, subject to a section 106 agreement, at City Road, London, EC1. The mixed use development will be on an island side opposite Moorfield's Eye Hospital. It has a completed value of approximately £12m. The development will comprise a nine storey building which will include retail, office and 26 residential units. Iconic is a joint venture between Rugby Estates Plc and London and Newcastle Plc. Iconic's architects are Hawkins Brown.

Covent Garden Partnership performs well

According to the HSBC / AREF Property Fund index for 2005, as reported in Property Week on 27th January 2006, ING Covent Garden Limited Partnership was ranked 3rd with a return of 31%. The top two performing vehicles, both retail warehouse funds, recorded a total return each of 35.5%. The Covent Garden Partnership was therefore the best performing Central London specialist vehicle. In the previous year, it achieved a 21% total return.



N1 London purchase for Iconic

Iconic has acquired a site in Wenlock Street, close to its existing holding in City Road. The site has planning consent for a private residential development but a revised application has been made seeking consent for a mixed affordable and private housing scheme. £1.3m was paid for the site. Hawkins Brown are the architects.

Chepstow acquisition

Rugby Estates has acquired a distribution unit of 11,250 sq ft on a site of 1.5 acres. It is let for almost 10 years to Comet Group Plc. A yield of around 7% was paid. DTZ and Hartnell Taylor Cook acted.



Covent Garden Partnership Voids

By December 2005 the voids within the Partnership were 2.7%, down from 5.9% at the start of the year. This compares to the void level in Covent Garden generally for offices which is currently 6% according to local agents EA Shaw.

Limberline Road, Portsmouth purchase

Rugby Estates has acquired the Condor Logistics premises close to the docks and port. The property comprises a 6.2 acre site the majority of which is used as hard-standing for containers and lorries. The lease back to Condor is for a fifteen year term on a full repairing and insuring basis with fixed minimum increases in the rent in the fifth and tenth year. The purchase price reflects a net initial yield of around 7%.



Birmingham office portfolio acquired

Rugby Estates has paid £8m for five office investments totalling 34,250 sq ft. Tenants include Misys, the Secretary of State for the Environment and Clement Keys. A yield of over 7% was achieved, some £250 per sq ft overall. GBR in Birmingham advised Rugby Estates.



Back in Oxford

A mixed use investment has been acquired from a private vendor. It is let to Blockbuster Entertainment & Cox Hinkins, Accountants. The property is located in London Road, Headington.



Iconic purchase in London SW18

In an off market transaction Rugby Estates and London & Newcastle, under the Iconic brand, have acquired a corner site at the junction of Putney Bridge Road and Deodar Road for approximately £2.5m. A mixed use development including private residential flats and two houses is planned. Co-Lab are the architects and CgMs the planning consultant.

Acton purchase

Two units adjoining an existing holding have been acquired from a private vendor to reflect a net initial yield of approximately 7%, £155 per sq ft overall. The investment in the enlarged holding is now over £2,500,000. The two units are let to local covenants. Mills & Wood acted.



New Jewson depot in Tony Blair's Sedgefield

An acquisition has been made of a warehouse of around 23,000 sq ft on 1.8 acres with vacant possession. The property has been let to Jewson Limited on a 20 year lease.



First buy for O Twelve Estates in Stratford E15

O Twelve Estates has made its first acquisition. It is Solar House, located in the heart of Stratford, which is a 50,000 sq ft office building on five floors with approximately 100 car parking spaces. The property is let to five tenants including the Secretary of State for the Environment, the Bank of New York, and London Eastern Railways. The current income reflects an overall rent per square foot of £16.00. £13.5m was paid for the investment. O Twelve Estates is seeking £400m of acquisitions over the next eighteen months, principally in the Thames Gateway. Rugby Asset Management is property adviser to O Twelve Estates. Strettons introduced the investment to Rugby Asset Management and are retained as the managing agents.



THE RUGBY TIMES

www.rugbyestates.plc.uk

2006

Covent Garden purchase

New London House, Drury Lane has been acquired by ING Covent Garden Limited Partnership. £14m was paid for the freehold mixed use investment, some £400 per sq ft overall, which comprises retail units, offices, a nightclub, theatre, car park and residential. CLS were the vendors advised by EA Shaw. Rugby Estates and CBRE represented the Partnership. Rugby Estates is a co-investor in the Partnership, as well as its property advisor.



Liverpool Victoria scheme fully let

The final office floor of the retail and office scheme in Long Acre has been let. The development was managed for Liverpool Victoria by Rugby. It is let to Reiss, Limited Brands, Chatham Financial, and Michael Page Recruitment. Cushman & Wakefield and Nelson Bakewell were the letting agents.



Forget Newquay, the future of surfing in the UK is indoors

"Rugby Estates has teamed up with Surfdomo to develop a leisure complex that could launch surfing as an Olympic sport... the seventy-five metre pool will be able to accommodate twenty boards at any time and the pool's tapered shape will contain the wave's height. Surfdomo's vision is for a £10million scheme...surrounded by 50,000 sq ft of shops" Property Week 17th March 2006.

Clerkenwell development starts

Iconic has started its mixed use refurbishment and extension of its holding in St John's Square, Clerkenwell, London, EC1. The scheme on completion, due in the summer, will provide nine residential units and additional office accommodation. The interior finishes have been designed by Target Living. The scheme has a completed value of approximately £8m. DTZ and Hurford, Salvi, Carr are the selling agents.



Retail warehouse purchased in London

Rugby has acquired from Dreams, subject to a leaseback to them, a retail warehouse in London Road, Mitcham in South London. The price was £2m, the net initial yield sub 6%. Vail Williams acted for Rugby.



With thanks to:

Allsop & Company
James Smith Associates
GBR Property Consultants
Tuckerman
DP9
Whitby Bird
Vail Williams
Jackson Criss
Godfrey Vaughan
Hague Nicholls
Mills & Wood
DE & J Levy
Hartnell Taylor Cook
S J Berwin
Collins Stewart
Hurford Salvi Carr
DTZ
Liverpool Victoria Insurance
ING Real Estate
FHP
Evamy Forster
Glenny LLP
Dovetail Limited
Savills
CMP
London and Newcastle Plc
Solomon Taylor & Shaw
Price & Myers
EC Harris
Hawkins Brown
Nabarro Nathanson
Moss Construction
RPS
CB Richard Ellis
Colliers CRE
Slater Michael
RMK Insurance Consultants
Financial Dynamics
BDO Stoy Hayward
Cooper Rose
Tayler Reid
Wedlake Bell
Burgess Salmon
King Sturge
Churston Heard
Workman & Partners
Hicks Baker
Holt Walters
Michael Evans & Co
Cushman & Wakefield
Haslams
Burks Green
Clark Associates
Robin Calver
E A Shaw
Hemscott Group Limited
Haarer & Goss
Kendall Kingscott
Ashton Independent
Oxford Securities Limited
Hunter Evans
Macfarlanes
Plowman Craven & Associates
Anstey Horne
Hodnett Martin Smith
Blue Sky Planning
RBS
Heat
Merrill Lynch
Bank of Scotland
AMD
PPC
Llewelyn Davies
Cameron Taylor Bedford
Foot Anstey
Strettons
Vail Williams
Derrick Wade and Waters
Norton Rose
Ogiers
Ernst and Young
Target Living
Mishcon de Reya
Awbery & Co
Donaldsons
CgMs
Brooke Vincent & Partners

4 Farm Street, Mayfair, London W1,
Rugby's new offices



Written and Published by:

Rugby Estates Plc
t 020 7016 0050
f 020 7016 0080

www.rugbyestates.plc.uk



rugbyCapital



ICONIC

m4 ot ram