



Dawnay, Day Carpathian plc



Financial Results for the year 2007

Presentation

April / May 2008

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Appendix

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| → Property Portfolio - Valuation and Yield summary | |
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Please note that all numbers are presented herein are in UK Sterling.

The Company's functional currency is Euro, while it has chosen UK Sterling as its presentational currency.



Operational Highlights

- The Company substantially completed its investment period early well ahead of its target of year end 2008
- Proposed final dividend of 3.34 pence per share giving a total dividend of 10 pence per share as originally targeted
- During 2007, DDC spent and committed c. £120 million to acquire 11 investment properties and develop 5 retail projects in 8 transactions
- The independent portfolio valuation by DTZ resulted an uplift of c. £16 million of the investment portfolio, the portfolio includes a diversified mix of 55 properties spreading across 7 countries
- DDC has established itself as a well-known property company in CEE, and now enters into a new phase of active value creation and realisation



Financial Highlights

- NAV per share of 123.9 pence – an increase of 8.5% per annum
(31 December 2006: 114.2 pence)
Adjusted NAV per share* of 136.7 pence – an increase of 8% per annum
(31 December 2006: 126.7 pence)
- Net rental and related income up by 91% to £24.3 million
(For year 2006: £12.7 million)
- Profit for the year is £14.9 million (For year 2006: £36 million)
- Adjusted profit before tax* is £11.5 million, an increase of 18.5%
(For year 2006: £9.7 million)
- Basic EPS is 8.3 pence, diluted EPS is 7.3 pence
(For year 2006: 21.1p and 21.0p respectively)
Adjusted EPS*** is 12 pence (For year 2006: 26.7 pence)

*Adjusted NAV excludes goodwill and deferred tax on property valuations.

**Adjusted profit before tax excludes revaluation gains and losses on property, financial assets and liabilities and foreign exchange.

*** Adjusted EPS excludes unrealised deferred tax charge on revaluation surplus



Audited Group Profit & Loss Statement

| For the twelve months ended | 31-Dec-07 | 31-Dec-06 |
|---|---------------|---------------|
| GROUP | £'000 | £'000 |
| Gross rental income | 27,051 | 15,799 |
| Service charge income | 9,635 | 5,946 |
| Service charge expense | -10,886 | -6,712 |
| Property operating expenses | -3,401 | -2,679 |
| Other property income | 1,895 | 335 |
| Net rental and related income | 24,294 | 12,689 |
| Changes in fair value of investment property | 15,983 | 36,792 |
| Changes in fair value of financial assets and liabilities | 1,409 | -1,147 |
| Net Foreign Exchange (loss) / gain | -6,971 | 1,388 |
| Administrative expenses | -4,685 | -2,140 |
| Net operating profit before net financing income | 30,030 | 47,582 |
| Financial income | 7,375 | 6,839 |
| Financial expense | -15,528 | -7,660 |
| Net financing (expense)/income | -8,153 | -821 |
| Net profit before tax | 21,877 | 46,761 |
| Tax | -6,947 | -10,739 |
| PROFIT FOR THE PERIOD | 14,930 | 36,022 |



Audited Group Balance Sheet - Assets

| | 31-Dec-07 | 31-Dec-06 |
|---------------------------------------|----------------|----------------|
| | £'000 | £'000 |
| GROUP ASSETS | | |
| Non current assets | | |
| Investment property | 523,112 | 368,692 |
| Development property | 41,428 | - |
| Goodwill | 25,576 | 16,578 |
| Intangible assets | 13 | - |
| Costs relating to future acquisitions | 291 | 436 |
| Deferred income tax assets | 1,027 | 964 |
| Other Investments | 5,477 | - |
| Loans receivable | 14,846 | - |
| | 611,770 | 386,670 |
| Current assets | | |
| Trade and other receivables | 12,766 | 10,368 |
| Loans Receivable | 20 | - |
| Cash and cash equivalents | 62,103 | 75,131 |
| Financial assets | 4,762 | 2,666 |
| | 79,661 | 88,165 |
| TOTAL ASSETS | 691,431 | 474,835 |



Audited Group Balance Sheet – Liabilities and Equity

| | 31-Dec-07 | 31-Dec-06 |
|-------------------------------------|----------------|----------------|
| | £'000 | £'000 |
| GROUP EQUITY | | |
| Issued Capital | 2,293 | 1,454 |
| Share Premium | 177,111 | 125,556 |
| Retained Earnings | 85,223 | 42,472 |
| Translation reserve | 19,660 | (3,467) |
| Total equity of the parent | 284,287 | 166,015 |
| Minority Interest | 3,673 | 5,546 |
| TOTAL EQUITY | 287,960 | 171,561 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Bank loans | 233,382 | 189,535 |
| Deferred income tax liabilities | 56,333 | 35,336 |
| | 289,715 | 224,871 |
| Current liabilities | | |
| Trade and other payables | 27,884 | 11,838 |
| Bank loans | 77,055 | 64,702 |
| Dividend Payable | 7,638 | - |
| Provisions | 647 | 729 |
| Financial liabilities | 532 | 1,134 |
| | 113,756 | 78,403 |
| TOTAL LIABILITIES | 403,471 | 303,274 |
| TOTAL EQUITY AND LIABILITIES | 691,431 | 474,835 |

Key Financial Indicators

| | |
|------------------------|---|
| Equity: | Weighted average of acquisition yields: 7.56% Equity spent and committed: 94.8% Circa Euro 18 million to be spent and committed |
| Debt financing: | Loan to Cost ratio: 68% at year end, 75% (post Agrokor debt) Loan to Value ratio: 56% at year end, 60% (post Agrokor debt) Average loan term length: 3 years (2.6 years if weighted) |
| Interest Rates: | Weighted average interest rate for the year: 5.52% (2006: 5.28%) Weighted average SWAP rate for the year: 3.7% (2006: 3.51%) All mortgage loans has been hedged against interest rate volatility |

Business Review



Opportunities

Market level

- Pricing pressure reduced
- Distressed buy situations
- Institutional demand for prime
- Performance reputation important

Portfolio level

- Lettable space extension, conversion
- Average c. 6 year lease length
- Multiple exit routes
- Defensive, convenience sector assets

Risks

Market level

- Oversupply of space at local level
- Debt finance for future projects
- Economic slowdown

Portfolio level

- Tenancy exposure - Hungary
- MacroMall, Brasov
- Ericsson, Hungary - residential development value under pressure

Business Objectives for 2008/9

- The Company's dividend target is 8 pence for 2008
- Active value realisation from the existing portfolio, trading and re-cycling to higher yield income stock
- Focus on asset management and development initiatives
- Acquiring distressed situations in CEE
- Reducing exposure to market and portfolio risk areas



Investment Property Portfolio

Analysis:

By property type:

| | |
|----------------------|-----|
| Retail: | 87% |
| Warehouse/Logistics: | 10% |
| Office: | 3% |

Total Lettable Area: c. 393,000 sqm

Void areas as % of lettable area: 7%

Average Rent: €14/sqm/month

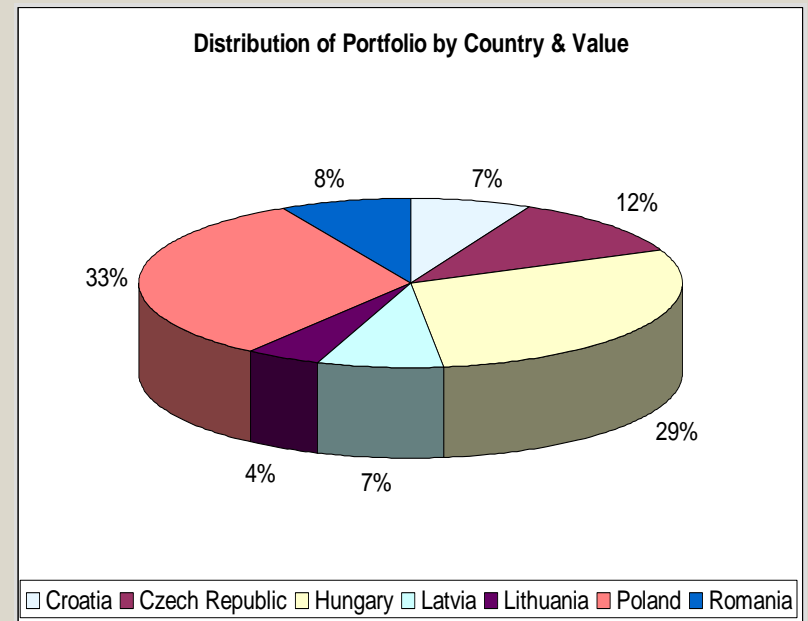
Rent Collection ratio for 2007: 95%

At 31 January 2008: 99%



- Countries already invested in.
- Countries for future focus.

Geography:



High Level Portfolio Asset Review

Portfolio level

→The **CEE retail property market is now starting to mature** with greater discrimination beginning to show through from retailers and investors. It is however still imperfect and it will be many years before it reaches Western European level of sophistication, particularly in the provinces.

→A number of assets were projected to fall in revenue at the outset due to changing retail environments and incoming competition. We believe that this period of stabilisation is now complete and that DDC can now look forward to building rent levels from this base.

→Where this was budgeted and therefore factored into the purchase price, the investment decision has been validated by compressing yields within the period more than making up for the income position.

→As initially advocated, the portfolio is made up substantially of **good secondary assets** within the convenience sector of the retail market and therefore has **good defensive qualities** at times of consumer spending pressure.

→Trading of assets over the foreseeable future will continue predominantly with this philosophy albeit reacting opportunistically to any assets providing interesting upside opportunities.

→Asset management projects involving a **c. 100,000 sq m of net retail floor space increase** are at various stages of progression which should start to generate rental or capital value in 2009.

Portfolio Asset Review - Poland



Poland

→ Occupier demand remains positive and retail turnover is up.

Promenada, Warsaw.

→ **Largest asset** in the portfolio, acquired 2006. Strong retail growth and consequently demand for retail space has increased.

→ **All voids re-leased at significantly higher (50 %+)** rents. Leases re-engineered to allow flexibility and improving retail mix. Unfair tenant lease renewals successfully challenged in Court to allow re-location, improve rental income and tenant mix.

→ Building permit secured for **Phase V** during 2007. Contractor secured, construction start May 2008. Value engineering is underway to minimise impact of construction cost inflation.

→ The office element was anticipated to suffer falling income levels from vacancies following lease expiries. This has occurred, but not to the levels budgeted and space has been re-leased ahead of budget. A net overall fall persists on the office space which we continue to work on resolving.

→ We see a very strong future for this asset. Retailing has not been impacted by other major projects developed in Warsaw. Pirelli are proposing an adjoining residential scheme adjoining and further asset management plans are being developed.

Real Portfolio - 4 assets

→ These assets are stabilised and trading well. A variety of opportunities are being explored to add retail space and derive value from the market demand for 3 star travel hotels. These initiatives are anticipated to start producing positive value during 2009.

Portfolio Asset Review - Hungary

→DDC's Hungarian assets, being of relatively low rental and capital cost are performing well defensively against the more difficult economic factors applying. This has fed through though to greater difficulty in driving income growth and re-leasing. Also, the local bureaucracy delayed asset management initiatives.

Pecs - Plaza portfolio

→A change of leasing agents and local on-site management has led to an increased rate of lease up since yr end 07.

→Lack of development control has led to an over supply of retail premises within the City.

→Re-positioning is underway to differentiate the retail content within the centre attracting new retailers.

Savaria - Plaza portfolio

→A supermarket anchor tenant has been secured and will open in May 2008. The centre will benefit from a pedestrian flow generator and allow us to attract other convenience retailers to serve the local population. The centre's location is relatively free from competition though larger centres do exist on the other side of town.

→A change of leasing agents and local on-site management has brought a new impetus to the project.

→The towns' only multiplex is located at this centre.

→We are targeting to have this investment fully income producing by the end 2009.

Sopron - Plaza portfolio

→Work has completed remedying construction faults and permits have now been granted permitting reconfiguration of mall areas and cosmetic enhancements. The anchor supermarket is expanding floor space and local tenants have been relocated to more secondary areas creating voids in prime locations to attract bigger brand names.

Antana logistics park - Budapest

→Continued strong income flow from existing asset.

→Re development is now dependant upon traffic infrastructure agreements affecting this and adjoining sites also proposing complimentary development.

→If agreement cannot be reached, the existing buildings can be re-furnished to offer small-medium sized enterprises light industrial/logistic and warehouse premises of 150-500sqm. We foresee this should be resolved by end 2009.

Ericsson office building - Budapest

→3 years remain on the existing leases producing a strong income surplus.

→We are progressing towards obtaining a building permit with a flexible "village" concept allowing adaptable buildings for mixed use residential/ office and retail / restaurant. A change to the local plan will also require negotiation for the residential element.

→The scale of the development suggests a 3 – 5 year development program. We are most likely to exit or seek a partner following permitting.

Portfolio Asset Review – Czech Republic

Czech Republic

→ The Czech market is buoyant with good tenant demand. In our view, projects around Prague have been both over-rented and over developed for the short term although the strength and growth of the catchment economy may make a purchase here viable in the longer term.

EuroMall, Karlovy Vary

→ This centre has traded well since opening and matured in to the dominant fashion and comparison shopping centre in Karlovy Vary.

→ A solution has been agreed in principle with the Municipality to enable a significant extension of retail space and 4 star hotel. The process to obtain building permits has started.

Other assets

→ The other Czech assets perform to budget within the convenience end of the retail sector.



Property Asset Review - Romania

MacroMall, Brasov

→ This has been the least performing asset in the portfolio suffering significant income falls and voids although maintaining capital value due to yield compression.

→ As one of the very few modern malls in the City and well located, this performance has been unexpected. An immature local retailer market leading to unrealistic retailer expectations may be partially to explain. Ongoing management initiatives are being applied to stabilise this asset and bring forward new tenants. An extension is being considered despite being within a location close to many large format anchors, it could benefit from stronger anchors stores within its' own environ, for which there is demand.

Development projects

→ The four development projects promoted locally under the "Atrium Centers" brand are progressing with consents and permits at various stages of progression.

→ Retail development competition is intensive now in Romania but all four sites stand up well at each locations and have received strong occupier support in pre-leasing negotiations. The majority of demand is from international brand names.

→ Pre development works have commenced in Arad and Cluj will start shortly. The retailer demand for Baia Mare was so strong that more adjoining land has been acquired to accommodate a larger scheme.

→ Specific announcements are anticipated throughout the course of this year.

→ The total current floor space proposed in the 4 projects is now c. 150,000 sq m.

→ The biggest hurdle has been construction cost inflation and the availability of strong international standard main contractors. Resolving these issues has required a very significant investment of resources from DDPT.

→ Once the projects have achieved pre leasing of the majority of space, negotiations may well be explored with co-investors, enabling the re-lease and re-cycling of initial equity into new projects if offers are considered attractive.



Portfolio Asset Review - Baltic Countries and Croatia

Lithuania

→The main commercial activity continues to prevail within the capital, Vilnius where retail demand and commercial activity is strong.

Babilonas Shopping Centre - Panevezys

→This asset continues to perform well and remains the dominant centre within Panevezys.

→The centre has remained almost 100% leased since occupation.

Latvia

→Latvia is felt to have the least strong macro economic standing of the Baltic countries. Retailer and investor demand in the Baltics still appears to be strong at present however with a mix of interest from operators, developers and investors from Western Europe, Scandinavia and Russia.

Galleria Patollo – Riga

→Construction has commenced on this 37,000sq m GLA retail scheme with approximately 48% now pre let and debt terms in place for the entire construction cost.

Croatia

Agrokor Portfolio

→In 2007 DDC undertook a sale and leaseback with Agrokor, Croatia's largest retail group. The six properties comprise supermarket stores leased and operated entirely by Agrokor, with smaller gallery units sub-leased to local retailers.

→This acquisition is one of very few such transactions undertaken in Croatia to date. It sees the company's further diversification throughout the territory and establishes DDC as an active investor in the Balkan region.

Portfolio Asset Review



Alternative uses

- Part of DDPT's strategy for asset management is to create value from any opportunity presented from portfolio assets and to look beyond the immediate retail use potential. Examples are;

Hotels

- We have identified a number of opportunities to locate hotels within the existing site ownership of up to 7 properties. (Gdansk, Pecs, Budapest, Lodz, Sosnowiec, Torun and Karlovy Vary). A feasibility study is currently being finalised to identify potential operators ahead of a full marketing campaign.

Residential

- Two further sites have been identified as of potential interest to residential developers though a change in planning will be required therefore these remain medium to long term opportunities.

DD PanTerra – Our Structure

Overview

→ Complete in-house expertise and capabilities, one of the biggest teams focusing on CEE region

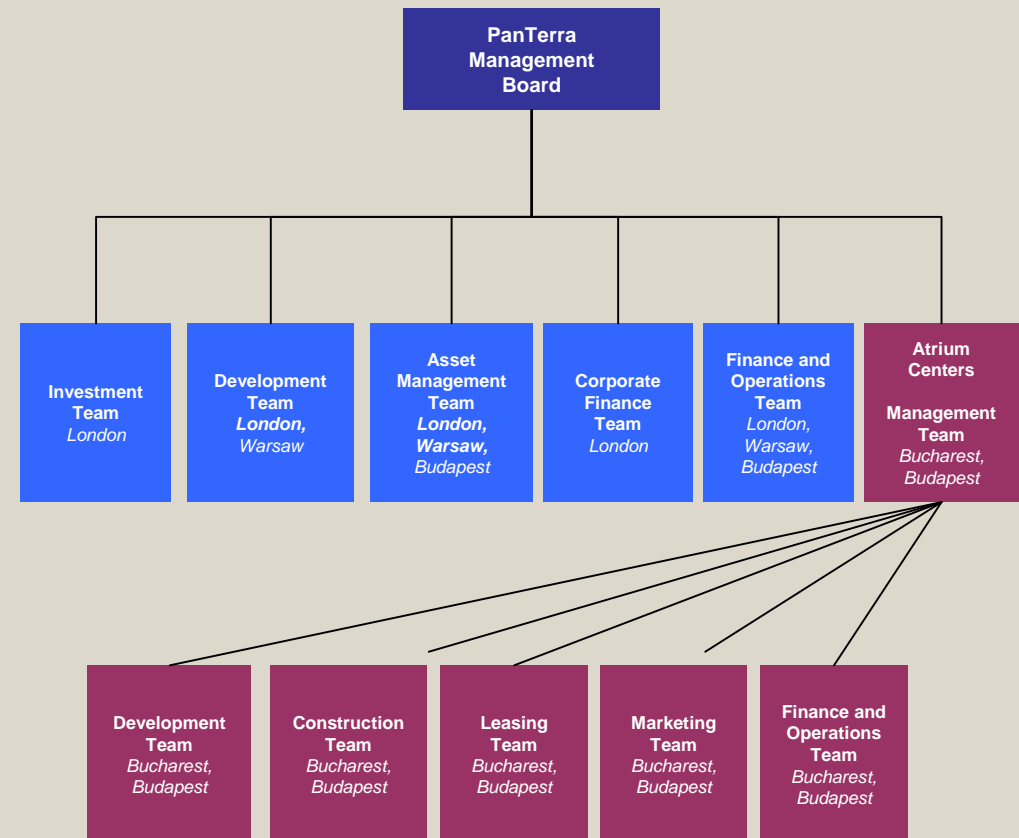
- 65 employees with expertise ranging from asset management, development, corporate finance and investment management
- Includes chartered surveyors, project managers, analysts, lawyers and accountants with substantial transactional experience
- 50 professionals supported by 15 support staff
- Experienced and equipped to execute cross-border transactions

→ PanTerra's 75% owned subsidiary, Atrium Centers, undertakes development activity in the Southern CEE region

→ Local ground presence in target markets with 3 regional offices in Warsaw, Budapest and Bucharest

→ Multinational team of professionals from the relevant countries with local and western experience/ training and language skills

Organisation Chart



Appendix

→ [Portfolio Valuation Summary](#)

Portfolio Valuation Summary – 31 December 2007

Investment properties

| Country | Location | Property | Purchase Price (£m) | DTZ valuation (£m) | Net Acquisition yield | DTZ Valuation yield |
|-----------------------------|----------------|--|---------------------|--------------------|-----------------------|---------------------|
| Czech Republic | Karlovy Vary | Varyada Shopping Centre | 26.8 | 38.3 | 8.11% | 6.10% |
| Czech Republic | Czech Republic | MID portfolio : 2 properties (acquired October 2007) | 28.8 | 30.4 | 6.45% | 6.50% |
| Czech Republic Total | 13.13% | | 55.6 | 68.7 | | |
| Hungary | Budaors | Antana Logistic Park | 14.2 | 16.7 | 8.36% | 6.25% |
| Hungary | Hungary | Plaza Portfolio: 4 properties | 44.4 | 58.9 | 9% | 6.37% |
| Hungary | Budapest | Ericsson Office Building Complex | 11.5 | 12.3 | 9.75% | 10.56% |
| Hungary | Hungary | Interfruct Portfolio: 23 properties | 55.8 | 63.4 | 7.80% | 7.60% |
| Hungary | Hungary | MID Portfolio: 2 properties (acquired October 2007) | 20.8 | 22 | 6.45% | 6.50% |
| Hungary Total | 33.13% | | 146.7 | 173.3 | | |
| Latvia | Riga | Blaumana 12 | 8.5 | 9.4 | | |
| Latvia Total | 1.80% | | 8.5 | 9.4 | | |
| Lithuania | Panevezys | Babilonas Shopping Centre | 23 | 26 | 7.30% | 7.00% |
| Lithuania Total | 4.97% | | 23 | 26 | | |
| Poland | Poland | Geant Portfolio: 4 properties | 42.3 | 61.4 | 8.10% | 6.50% |
| Poland | Warszawa | Promenada Shopping Centre | 94.5 | 122.8 | 7% | 4.73% |
| Poland | Slupsk | Biedronka Supermarket | 0.8 | 1.1 | 8.70% | 6.60% |
| Poland | Warszawa | Marina Mokotow (acquired October 2007) | 4.4 | 5.2 | 8.50% | 7.00% |
| Poland Total | 36.42% | | 142 | 190.5 | | |
| Romania | Brasov | Macromall Shopping Centre | 13.1 | 13.5 | 9% | 7.50% |
| Romania Total | 2.58% | | 13.1 | 13.5 | | |
| Croatia | Croatia | Agrokor Portfolio: 6 properties (acquired December 2007) | 40.7 | 41.7 | 7.65% | 7.30% |
| Croatia Total | 7.97% | | 40.7 | 41.7 | | |
| Grand Total | | | 429.6 | 523.1 | 7.56% | 6.26% |

The Purchase price amounts presented are converted at the historical exchange rates.

The valuation amounts are provided by DTZ for 31 December 2007.

The **Riga development funding** is presented as an investment loan in the financial statements and not as a consolidated asset under development as DDC plc does not yet have a controlling stake in the project. As at 31 December 2007, DDC plc invested c. £ 20.3 million in the form of equity and loans.

Development projects

| Country | Location | Property | Purchase Price (£m) |
|----------------------|-------------|-------------------------------|---------------------|
| Romania | Arad | Development site with permits | 8.2 |
| Romania | Baia Mare | Development site with permits | 12.4 |
| Romania | Cluj Napoca | Development site with permits | 9.7 |
| Romania | Satu Mare | Development site with permits | 7 |
| Romania Total | | | 37.3 |