



PRESS RELEASE

Nieuwe Steen widening its geographical horizon

HOORN – For the first three quarters of 2007, Nieuwe Steen Investments N.V. realized a direct result of €1 per share and an indirect result of €0.95 per share. The total investment result thus was €1.95 per share. Over 2007Q3, an interim dividend of €0.33 per share will be distributed in cash. For the entire year of 2007, Nieuwe Steen Investments expects a direct investment result ranging between €1.34 and €1.36 per share.

Financial results

Direct result

The direct result for the first three quarters of 2007 amounted to €35.7m (first three quarters of 2006: €36.4m). Nieuwe Steen Investments uses the direct result (rental income less exploitation costs, management costs, general costs and financing costs) as a measure for its core business and for its dividend policy. The exploitation costs were 9.9% of the rental income (first three quarters of 2006: 9.9%). The general costs are including fund management costs (€1.2m).

Indirect result

The indirect result for the first three quarters of 2007 amounted to €34.2m. Apart from realized revaluation (result of sales of investments amounting to €8.8m) the indirect result also consists of unrealized revaluation. This unrealized revaluation relates to changes in the market value of the real estate portfolio (€1.1m) and the derivative instruments (€4.9m).

The market for high-quality real estate investments continues to be good. The persistently decreasing initial yields contributed to a higher valuation of the real estate portfolio. The revaluation result of the real estate investments was positive in all categories, amounting to €4.4m in residential, €9.7m in retail, €2.1m in large-scale retail, €2.1m in industrial and €2.8m in offices.

Portfolio developments

On 30 September 2007, the value of the real estate portfolio was €1,224.8m (31 December 2006: €1,247.9m). This change arises from purchases and investments in existing objects, sales and changes in value.

Nieuwe Steen Investments will keep looking for high-quality investments to expand its real estate portfolio, but it also values a lasting high quality of its portfolio. For that purpose, the company sold a number of objects in 2007, and acquired four new objects. The real estate portfolio showed a positive development in terms of revaluation.

Sale of the residential portfolio

The announced sale of the residential portfolio is progressing steadily. On 30 September 2007, the company still owned 354 homes (end 2006: 1,083). During the first three quarters of 2007, 63 homes were sold through individual transactions, and 666 in residential complexes.

The overall positive result of the sale of homes amounted for the first three quarters of 2007 to €8.1m.



In Q4 2007, Nieuwe Steen Investments will organise a public tender for the sale of 236 homes.

Sale of commercial real estate investments

During the first three quarters of 2007, the following objects from the commercial real estate portfolio were sold:

<i>Category</i>	<i>city/town</i>	<i>address</i>	<i>m²</i>
Large-scale retail	Emmen	Nijbracht	15,000
Industrial	Den Bosch	De Steenbok	4,916
Industrial space	Amersfoort	Uraniumweg	3,875
Office unit	Ridderkerk	Sint Jorishof	433
Offices	Amsterdam	Donauweg	6,935

The sale of the (unoccupied) office building in Amsterdam will have a positive impact on the occupancy rate and the 2007 direct investment result.

Acquisitions

In the first three quarters of 2007, the following objects were acquired:

<i>Category</i>	<i>city/town</i>	<i>address</i>	<i>m²</i>	<i>purchase price</i>	<i>BAR in %</i>
Retail	Harderwijk	Bleek, Luttekepoorstraat	2,345	€5.2m	6.7
Office	Ede	Bennekomseweg	10,010	€22.3m	7.2
Office	Amsterdam	Cruquiusweg	3,250	€6.6m	7.2
Office	Hengelo	Demmersweg	3,000	€6.4m	6.8

On 6 September 2007, the official opening of the “Leesten” shopping centre in Zutphen took place.

These objects are all (almost) fully occupied and will contribute towards the direct investment result.

On 30 September 2007, the portfolio consisted of 354 homes and 169 other objects in the following categories:

	<i>in %</i>	<i>x €1,000</i>
Office	47	578,856
Retail	38	464,327
Industrial	5	61,451
Large-scale retail	6	72,126
Residential	4	48,086
Total of real estate investments	<u>100</u>	<u>1,224,846</u>

Portfolio occupancy rate

On 30 September 2007, the overall vacancy rate in the portfolio was 6.2% (end of 2006: 6.2%). The vacancy rate per category was 10.3% in offices, 0.7% in industrial and 2.5% in retail. The vacancy rate in the portfolio therefore has not changed, despite the fact that the rent guarantee on the “La Tour” office building in Apeldoorn expired.

The theoretical rental income of the real estate portfolio as of 30 September 2007 was €6.6m for the whole year, whereas the contracted rental income amounted to €0.6m.



Rent guarantees

On an annual basis, €1.2m, being 1.2% (end 2006: 3.5%) of the rental income is received in the form of rent guarantees from developers/sellers. The outstanding weighted, average life to maturity of the rent guarantee agreement was 3.5 years as of 30 September 2007.

Balance sheet ratios and finance

The shareholders' equity/debts to credit institutions ratio was 54-46% as of 30 September 2007 (end of 2006: 50-50%). The balance sheet ratio was affected by the sale of the residential portfolio. The basic premise will be to invest the proceeds in new investments; until such time, loans will be repaid.

As of 30 September 2007, the debts to credit institutions amounted to €63.7m. The average remaining term of the loans was 3.8 years. 91.8% of the interest payable on these loans has been fixed. The derivative instruments have an average term exceeding four years. The average interest rate on the loans and the derivative instruments as of 30 September 2007 was 4.7% per annum, including margin. By using derivative instruments, the company is less sensitive to interest fluctuations.

Shareholders' Equity

In Q3 of 2007, the shareholders' equity fell by €1.1m to €650m. This was the result of adding the overall investment result for 2007Q3 (€10.7m) on the one hand, and the distribution of the 2007Q2 interim dividend (€1.8m) on the other. On 30 September 2007, the net asset value per share was €18.17 per share (end of 2006: €17.22).

2007Q3 Interim Dividend

The starting point of the dividend policy is to pay the total *direct* result as dividend to the shareholders. After payments of an interim dividend for Q1 and Q2 of 2007, an interim dividend of €0.33 per share will be distributed in cash drawn on the profit.

On 16 November 2007, the Nieuwe Steen Investments share will be listed ex-dividend and the dividend will be made available for payment on 23 November 2007.

Shareholders' Meeting

New supervisory directors

In the General Meeting of Shareholders held on 27 September 2007, Mr J.R. Zeeman retired as supervisory director. As the incorporator and managing director, later chairman, Mr Zeeman played a major role in the development of Nieuwe Steen Investments. The company is very grateful to Mr. Zeeman for this major contribution.

In the same meeting, Mr A.P. van Lidth de Jeude and Mr H. Habas were appointed supervisory director of the company. Mr Habas will be the chairman of the Supervisory Board. As Dutch will remain the official language on shareholders' meetings, they will be chaired by the vice chair, Mr Van Lidth de Jeude.

Progress adjustment of investment policy

Anticipating the General Meeting of Shareholders, the strategic document entitled "facing new challenges" has been presented. This document gives an explanation of the plan to start investing outside the Netherlands. For that purpose, Nieuwe Steen Investments will focus on countries in the Eurozone and Switzerland, which have stable structures in terms of economy, politics and tax regime. In addition, a commitment was made to double the portfolio within two to three years. The Meeting adopted this resolution to adjust the investment policy.



Zeeman Vastgoed Beheer

The takeover of Zeeman Vastgoed Beheer was also explained in the Shareholders' Meeting. This takeover, at a price for the shares of €8m, being approx. 4.5 times the net profit before taxation of this company, was completed on 1 October 2007.

Prospects for 2007

Real estate portfolio

As of 30 September 2007, the company are assumed investment obligations worth approximately €34m, namely:

- a (fully let) home design and furnishings superstore in Veenendaal (19,539 m², date of conveyance 1 October 2007);
- the last phase of "Mortiere" furniture shopping centre (8,082 m²) in Middelburg (completion 2007/2008);
- an office complex yet to be realized (1,480 m²) in Almere (completion end of 2007).

Nieuwe Steen Investments continues its portfolio quality-improvement policy by disposing of objects with a less favourable risk/return profile and objects with an existing or expected permanent vacancy. In Q4 of 2007, the rest of the residential portfolio will be sold, except for the apartments situated above offices and retail premises owned by Nieuwe Steen Investments.

Based on the prevailing statutory rules, the approved new investment policy, international rather than domestic, will become effective on 22 November 2007. This means that international investments may be included in the portfolio from that date. The company is currently considering a number of investment opportunities in objects situated outside the Netherlands.

Developments in the rental market

On the subject of the offices market, we have the impression that, with regard to the decreasing rent level, the worst is now behind us. The offices market is picking up in terms of volume, and the rent level seems to be levelling off. Given a huge surplus in supply, the market still is predominantly favourable to the tenants. This means that in our dealings with new tenants, as well as those with current tenants concerning renewal of existing leases, firm negotiations must take place.

In 2006 and 2007, the company had to deal with an above-average number of expiring leases. In the next year, fewer major leases are expected to expire. On average, the leases due to expire in 2008 were concluded in 2003, when the rental market was already declining. Therefore, we expect that, in comparison with previous years, we will have to surrender a smaller percentage of rental income in the offices sector in connection with lower rents and/or incentives. We expect it is possible to limit this percentage to approx. 5%. The company, however, has faith in its active letting policy and in the recovery of the offices market, so that the - financial - vacancy rate within the overall portfolio will be limited to 8% maximum.

Results

In Q2 and Q3 of 2007, the direct result was slightly under pressure. In Q4 of 2007, the rent proceeds of the home design superstore in Veenendaal and the acquisition of Zeeman Vastgoed Beheer will have a positive effect on the direct result per share. A real improvement of the direct result, however, will have to be realized by new acquisitions in the Netherlands or abroad. We will therefore restrict ourselves to saying we expect the direct result for the whole of 2007 to be between €1.34 and €1.36 per share.



Since the indirect result consists on the one hand of the movement in the market value of the real estate portfolio and the derivatives, and on the other hand the realized sale results on properties sold, no concrete forecast for this can be given.

Hoorn, 12 October 2007

The Management Board

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Annexes:

- Key figures 2007
- Nieuwe Steen Investments N.V. profile
- Financial Calendar

Key figures 2007

	30-09-2007	30-09-2006	2006
Results (x €1,000)			
Gross rental income	66,921	68,843	91,939
Net rental income	58,257	59,914	80,111
Profit after tax	69,884	54,304	81,633
Direct investment result	35,712	36,477	48,510
Indirect investment result	34,172	17,827	33,123
Total investment result	69,884	54,304	81,633
Occupancy rate (in %)	93.8	93.7	93.8
Balance sheet data (x €1,000)			
Investments	1,224,846	1,240,179	1,247,861
Shareholders' equity	650,009	601,098	616,262
Debts to credit institutions (including derivatives)	563,739	621,088	614,433
Ratio of shareholders' equity to debts to credit institutions (in %)	54-46	49-51	50-50
Issued share capital			
Ordinary shares, end of Q	35,774,117	35,774,117	35,774,117
Average number of outstanding ordinary shares in the period under review	35,774,117	35,774,117	35,774,117
Data per average outstanding ordinary share (x €1)			
Direct investment result	1.00	1.02	1.36
Indirect investment result	0.95	0.50	0.92
Total investment result	1.95	1.52	2.28
Data per share (x €1)			
Interim dividend	1.00	1.02	1.36
Net asset value (for profit sharing)	18.17	16.80	17.22
Average stock-exchange turnover			
(shares per day, without double counting)	88,099	36,985	35,478
High price	23.70	24.50	24.50
Low price	18.97	18.95	18.95
Last price	19.53	20.72	22.36

Consolidated profit and loss account

(x €1,000)

	up to 2007Q3	up to 2006Q3	2007Q3	2006Q3
Gross rental income	66,921	68,843	22,013	23,118
Exploitation costs	- 6,649	- 6,834	- 2,299	- 2,065
Management costs	- 2,015	- 2,095	- 657	- 700
Net rental income	58,257	59,914	19,057	20,353
Revaluation of investments	<u>21,058</u>	<u>13,058</u>	<u>2,208</u>	<u>7,041</u>
	79,315	72,972	21,265	27,394
Realised result on sales of investments	<u>8,956</u>	<u>1,970</u>	<u>38</u>	<u>636</u>
Total net proceeds from investments	88,271	74,942	21,303	28,030
Interest	- 20,157	- 21,204	- 6,327	- 7,317
Movement in market value of derivatives	<u>4,821</u>	<u>3,084</u>	- 3,280	- 3,683
Financing result	<u>- 15,336</u>	<u>- 18,120</u>	<u>- 9,607</u>	<u>- 11,000</u>
	72,935	56,822	11,696	17,030
General costs	- 2,324	- 2,518	- 813	- 891
Revaluation costs	- 99	-	- 40	-
Strategic reorientation costs	- 506	-	- 81	-
Profit before tax	70,006	54,304	10,762	16,139
Corporation tax	- 122	-	- 77	-
Profit after tax	<u>69,884</u>	<u>54,304</u>	<u>10,685</u>	<u>16,139</u>
Data per share (x €1)				
Profit after tax	1.95	1.52	0.30	0.45
Diluted profit after tax	1.95	1.52	0.30	0.45

Consolidated direct and indirect investment results

(x €1,000)

	up to 2007Q3	up to 2006Q3	2007Q3	2006Q3
Gross rental income	66,921	68,843	22,013	23,118
Exploitation costs	- 6,649	- 6,834	- 2,299	- 2,065
Management costs	<u>- 2,015</u>	<u>- 2,095</u>	<u>- 657</u>	<u>- 700</u>
Net rental income	58,257	59,914	19,057	20,353
Interest	- 20,242	- 21,047	- 6,356	- 7,346
General costs	<u>- 2,181</u>	<u>- 2,390</u>	<u>- 761</u>	<u>- 845</u>
Direct investment result before tax	35,834	36,477	11,940	12,162
Corporation tax	<u>- 122</u>	<u>-</u>	<u>- 77</u>	<u>-</u>
Direct investment result	<u>35,712</u>	<u>36,477</u>	<u>11,863</u>	<u>12,162</u>
Revaluation of investments	21,058	13,058	2,208	7,041
Net result on sales of investments	8,813	1,842	- 14	590
Movement in market value of derivatives	4,906	2,927	- 3,251	- 3,654
Revaluation costs	- 99	-	- 40	-
Strategic reorientation costs	<u>- 506</u>	<u>-</u>	<u>- 81</u>	<u>-</u>
Indirect investment result	<u>34,172</u>	<u>17,827</u>	<u>- 1,178</u>	<u>3,977</u>
Total investment result	<u>69,884</u>	<u>54,304</u>	<u>10,685</u>	<u>16,139</u>
Data per share (x €1)				
Direct investment result	1.00	1.02	0.33	0.34
Indirect investment result	<u>0.95</u>	<u>0.50</u>	<u>- 0.03</u>	<u>0.11</u>
Total investment result	<u>1.95</u>	<u>1.52</u>	<u>- 0.30</u>	<u>0.45</u>

Consolidated balance sheet

Before proposed profit appropriation for 2007Q3

(x €1,000)

	30-09-2007	31-12-2006	30-09-2006
Assets			
Real estate investments	1,224,846	1,243,111	1,240,179
Real estate under construction	-	4,750	-
Total investments	1,224,846	1,247,861	1,240,179
Tangible fixed assets	327	350	397
Derivative instruments	10,497	6,288	3,696
Prepayments and accrued income relating to rental incentives	992	826	-
Total fixed assets	1,236,662	1,255,325	1,244,272
Debtors and other accounts receivable	9,312	6,388	8,827
Cash	-	-	-
Total current assets	9,312	6,388	8,827
Total assets	1,245,974	1,261,713	1,253,099
Shareholders' equity			
Issued share capital	16,458	16,458	16,458
Share premium reserve	360,090	360,090	360,090
Other reserves	227,549	194,576	194,576
Unallocated result for the financial year	45,912	45,138	29,974
Total shareholders' equity	650,009	616,262	601,098
Liabilities			
Mortgage loans	514,865	513,402	566,461
Derivative instruments	82	694	2,226
Total long-term liabilities	514,947	514,096	568,687
Required redemption of long-term debt	496	395	395
Banks	58,793	106,230	55,702
Other accounts payable and accruals and deferred income	21,729	24,730	27,217
Total current liabilities	81,018	131,355	83,314
Total liabilities	595,965	645,451	652,001
Total shareholders' equity and liabilities	1,245,974	1,261,713	1,253,099

consolidated cash flow statement

(x €1,000)

	up to 2007Q3	up to 2006Q3
Profit after tax	69,884	54,304
Adjusted for:		
Revaluation of investments	- 21,058	- 13,058
Financing result	15,336	18,120
Cash flow from operations	64,162	59,366
Movement in debtors and other receivables	- 2,924	- 3,457
Movement in accounts payable*)	- 3,001	8,675
Interest paid	- 20,157	- 21,204
Cash flow from operating activities	38,080	43,380
Purchase of real estate investments and investments in existing properties	- 47,463	- 41,431
Sales of real estate investments	91,536	10,098
Movement in prepayments and accrued income relating to rental incentives	- 166	-
Movement in tangible fixed assets	23	41
Cash flow from investment activities	43,930	- 31,292
Dividend paid	- 36,137	- 36,495
Drawdown on loans	65,000	62,736
Redemption of loans	- 63,436	- 15,207
Financing cash flow	- 34,573	11,034
Net cash flow	47,437	23,122
Accounts payable to banks as of 1 January	- 106,230	- 78,824
Accounts payable to banks as of close	- 58,793	- 55,702

*) excluding debts to banks and cash loans



Consolidated statement in movements in shareholders' equity

(x €1,000)

The development of the item shareholders' equity in the first three quarters of 2007 was as follows:

	issued capital	share premium reserve	other reserves	unallocated result for the financial year	total
Situation as of 31 December 2006	16,458	360,090	194,576	45,138	616,262
Profit allocation 2006	-	-	45,138	- 45,138	-
Final 2006 cash dividend paid	-	-	- 12,165	-	- 12,165
Result of the first three quarters of 2007	-	-	-	69,884	69,884
Interim 2007 cash dividend paid	-	-	-	- 23,972	- 23,972
Situation as of 30 September 2007	<u>16,458</u>	<u>360,090</u>	<u>227,549</u>	<u>45,912</u>	<u>650,009</u>

The development of the item shareholders' equity in the first three quarters of 2006 was as follows:

	issued capital	share premium reserve	other reserves	unallocated result for the financial year	total
Situation as of 31 December 2005	16,458	360,090	151,824	54,917	583,289
Profit allocation 2005	-	-	54,917	- 54,917	-
Final 2005 cash dividend paid	-	-	-12,165	-	- 12,165
Result of first three quarters of 2006	-	-	-	54,304	54,304
Interim 2006 cash dividend paid	-	-	-	- 24,330	- 24,330
Situation as of 30 September 2006	<u>16,458</u>	<u>360,090</u>	<u>194,576</u>	<u>29,974</u>	<u>601,098</u>



Profile of Nieuwe Steen Investments N.V.

Nieuwe Steen Investments N.V. is a closed-end real estate investment company with variable capital. It invests in high-quality real estate with a high initial yield. When making investment decisions, thorough consideration is given to the balance of risk and return. Nieuwe Steen Investments invests in offices, retail, large-scale retail, industrial and residential real estate. Nieuwe Steen Investments strives to achieve good diversification, both geographically and across the various real estate categories.

In its real estate investments, Nieuwe Steen Investments gives prominent consideration to the users. Nieuwe Steen Investments' strategic policy is designed to optimally meet the changing needs of its tenants through portfolio renewal. Nieuwe Steen Investments prefers to invest in modern, adaptable and small-scale buildings in accessible locations with adequate parking facilities.

In the coming years, Nieuwe Steen Investments will focus on the active management of its real estate portfolio. The principal aims in this process will be quality and optimisation of the objects.

The real estate portfolio is in principle financed with a maximum of 50% outside capital. Nieuwe Steen Investments strives to conclude long-term loans at variable interest rates, and hedges its long-term interest-rate risk using derivative instruments.

Nieuwe Steen Investments' dividend policy is designed to distribute the direct result in cash in the form of interim dividends in May, August and November over Q1, Q2, and Q3 respectively, followed by a final dividend in April.

On 1 March 1993, Nieuwe Steen Investments was formed. On 8 August 1995, it was granted a licence from De Nederlandsche Bank N.V. within the meaning of Section 67 of Part 1 of the Dutch Financial Supervision Act [*Wet op het financieel toezicht*]. Further to an amendment to legislation, a new licence was granted on 13 July 2006 by the Dutch Financial Markets Authority [*Autoriteit Financiële Markten*]. Since 3 April 1998, Nieuwe Steen Investments has been listed on the Official Market of the stock exchange maintained by Euronext Amsterdam N.V. Being a fiscal investment company, Nieuwe Steen Investments is not liable for corporation tax on the investment result (subject to conditions).

For more information on Nieuwe Steen Investments, please go to our website: www.nsi.nl.

Financial Calendar 2007

Interim dividend payments

Establishment of interim dividend 2007Q3	15 November 2007
Listing ex-dividend	16 November 2007
Final dividend for 2007Q3 made payable	23 November 2007
Publication of 2007 annual figures	30 January 2008
Mailing of 2007 Annual Report	early March 2008
General Meeting of Shareholders	27 March 2008