



Queen's Walk Investment Limited

Results Presentation – Quarter Ended 30 September 2009

25 November 2009



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Higher NAV reflects positive second quarter performance

- Gains in Investment Grade Bonds and UK mortgage portfolios lead to higher NAV
- Total cash flows above forecast
- Solid cash flow is supporting company strategy to:
 - Repay debt facility ahead of schedule
 - Make additional purchases of investment grade bonds
- Quarterly dividend steady at 8 cents per share



Second quarter financial review: Positive earnings and fair value gains

- Net profit of €3.6 million versus a net loss of €5.0 million for quarter ended 30 June 2009
- Total fair value gains of €0.6 million compared to write-downs of €8.0 million in the previous quarter
 - Fair value increase on investment portfolio of €0.9 million, compared to decrease of €5.0 million in the previous quarter
 - Fair value losses of €0.3 million in hedge positions (FX, interest rate and HPI) versus a loss of €3.0 million in previous quarter
- NAV at 30 September 2009 was €3.75 per share compared to €3.69 per share as at 30 June 2009
- Total cash proceeds of €6.5 million versus a forecast of €5.0 million; an increase from €6.0 million in previous quarter
- Cash balances of €14.8 million as at 30 September 2009 up from €13.3 million as at 30 June 2009
- Dividend of €0.08 per share for the quarter
 - Equates to dividend yield of 13.3% on the share price as at 23 November 2009



On track with new investments and debt repayment

- Ahead of target debt repayment schedule
 - €18.3 million of outstanding debt as at 24 November 2009, down from €23.6 million on 30 June 2009
 - The Company had agreed with its lenders to reduce outstanding loan amount to €12.0 million by 30 June 2010
- Continuing to source attractive opportunities in investment grade bonds
 - €2.6 million of new investments during the quarter ended 30 September 2009
 - As at 24 November 2009, invested €13.3¹ million in aggregate to purchase bonds with a face value of €37.4 million
 - Investment grade bond portfolio recorded a cash-on-cash yield of approximately 12%²
- QWIL's investment portfolio on track to achieve expected future gross cash flows of approximately €182 million

¹ Euro equivalent bond values are calculated using FX rates at the time of purchase.

² Total cash proceeds received in the quarter ended 30 September 2009 divided by amortised cost value of the bonds.



Second quarter financial highlights – Income statement

Income Statement (Euro millions)	30 Sep 2009	30 Jun 2009	31 Mar 2009
Operating income	4.1	4.1	3.8
Operating expenses			
Finance costs	-0.2	-0.2	-0.3
Other operating expenses	-1.0	-1.0	-0.7
Total operating expenses	-1.1	-1.2	-1.0
Net operating income	3.0	3.0	2.8
Realised and unrealised gains and loss on investment portfolio	0.9	-4.9	-6.2
Net gains/losses on investments at fair value through interest rate swaps, foreign currency and options	-0.3	-3.1	1.0
Total asset value adjustments	0.6	-8.0	-5.2
Net loss/profit	3.6	-5.0	-2.3

*The values for each column may not sum to the total due to rounding differences



Second quarter financial highlights – Balance sheet

Balance Sheet (Euro millions)	30 Sep 2009	30 Jun 2009	31 Mar 2009
Assets			
Cash and Cash Equivalents	14.8	13.3	18.7
Assets at Fair Value	103.3	103.8	114.2
Other Assets	1.6	1.7	1.6
Derivative Financial Assets	6.0	6.1	3.5
Total Assets	125.8	124.9	138.0
Liabilities			
Term Financing	-22.0	-23.6	-29.5
Dividend Payable	-2.1	-2.1	-2.1
Performance Fee	0.0	0.0	0.0
Other Liabilities	-1.7	-0.8	-0.8
Total Liabilities	-25.8	-26.4	-32.4
NET ASSETS	99.9	98.4	105.6

*The values for each column may not sum to the total due to rounding differences



Investment Review



A rigorous approach to valuation

- The Company values each asset in the portfolio on a fair value basis¹. In a liquid market, the fair values of the assets would be determined by bid prices observed in the market
- Given illiquidity in the ABS residual market, both bid values and brokers marks have become rarer
- The Company has elected to value its residuals using cash flow models, in the absence of a market bid
 - Valuation Models – The Company has cash flow models for each of the Company's residuals. Pricing assumptions, including market discount rates, prepayment rates, default rates and credit losses are revised periodically to take into account changes in actual performance and macro conditions
 - Discount rate – a 15% discount rate applied to the expected cash flows from the mortgage portfolios and a 20% discount rate applied to the expected cash flows from the SME portfolio
 - External validation – For each of the Company's residuals, except for the two CDO assets, the Company employs an external validation agent to evaluate the Company's investments and establish a range of valuations based on the degree of liquidity, credit rating, the security type and consistency amongst pricing sources
- The bond portfolio continues to be valued using market prices. The Company takes the average of two marks to determine the value of the bonds

¹For more details please refer to note 3 of the Company's 2009 Annual Report



A diversified portfolio of European loans

- The Company has a portfolio of diversified European investments:
 - Five Portuguese mortgage portfolios (classified as residuals)
 - One Italian mortgage portfolio (classified as residuals)
 - Seven UK non-conforming mortgage portfolios (classified as residuals)
 - Four small-to-medium enterprise ("SME") loan portfolios (classified as residuals)
 - European Asset-Backed Securities ("ABS")
- The Company receives cash flows from the UK and European mortgage portfolios after financing costs of the securitised debt and credit losses in the portfolios
- Securitised debt matches the maturity of mortgage loans so there is no refinancing risk
- With respect to the SME loan portfolios, the Company receives a CDS premium in exchange for insuring against credit losses in the underlying loan portfolios
- Investment grade bonds benefit from a Libor-linked interest payment and in some cases have a return of principal on each interest payment date



European mortgage portfolio: In line with expectations

- Second quarter cash flow of €2.5 million compared to €2.9 million in the previous quarter
- Cash flows in line with historic cash flow rate, and ahead QWIL's forecast of €1.2 million for the quarter
- Signs of stabilisation appearing but uncertainty remains:
 - The number of borrowers going into arrears on their mortgage payments is falling
 - However, borrowers who do go into arrears are more likely to default given limited refinancing options
 - Actual default rate dropped to 1.37% from 1.48%
- The Company has increased its forecast default rate assumptions
 - Cash flow forecasts assume the average default rate for the European mortgage portfolio is 1.6%, up from 1.4% in the previous quarter
- Fair value write-downs of €1.0 million in the quarter



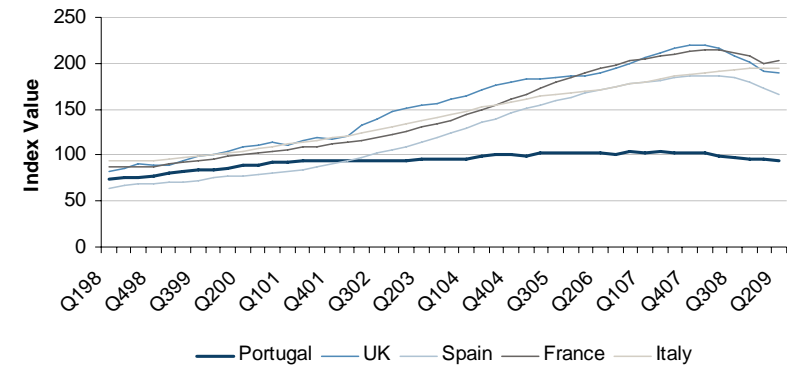
Background on Portuguese Market

- Sanguine outlook on the Portuguese mortgage market
- Housing markets have started recover after a short fall
 - House prices have increased from the start of the year
 - On average, house prices down 1% from end 2003
- Seasoned portfolio with vast majority of loans originated in 2003 or before
 - Portfolio benefits from tighter underwriting criteria relative to later vintages of mortgages
- Positive GDP growth forecasts

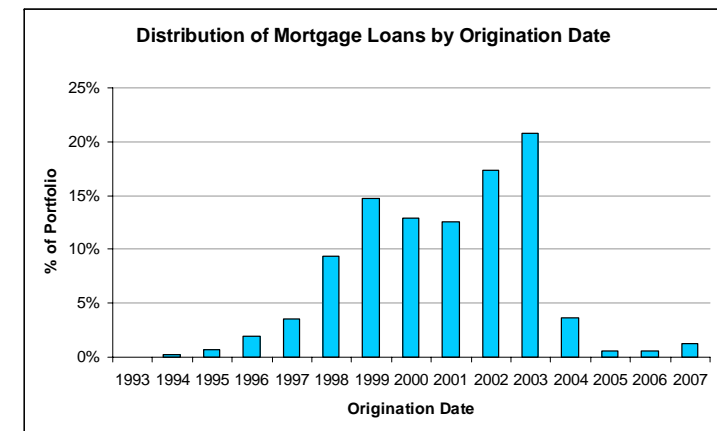
GDP YoY	Millenium BCP	IMF	Barclays	Bank of Portugal
2009	-3.2%	-3.0%	-3.0%	-3.5%
2010	0.5%	0.4%	1.2%	-0.6%

- Unemployment rate expected to plateau at 10% in 2010 up from 7.6% at end 2008

European House Prices (Indexed)



Source: Barclays Capital



Source: Cheyne Capital Management (UK) LLP



SME portfolio review: Performance on course, but cautious on outlook

- Portfolio continues to perform in line with expectations
- Second quarter cash flow of €1.9 million compared with €2.0 million the previous quarter
- Actual default rates in the September quarter were lower than June default rates
- However, current default rate forecasts anticipate further economic deterioration
- Current forecast default rates are on average 195% greater than the September actual default rate

	June 2009 Default Rate (annualised)	Sept 2009 Default Rate (annualised)	Forecast Default Rate as at 30 September 2009
Amstel 06-1	0.38%	0.00%	0.60%
Smart 06-1	0.71%	1.13%	2.00%
Gate 06-1	1.28%	0.83%	1.15%
Gate 05-2	2.52%	0.55%	3.70%
Average	1.22%	0.63%	1.86%



UK mortgage portfolio: Recovering value

- Cash flow in the second quarter stood at £1.0 million compared with £0.3 million in the previous quarter, ahead of expectations
- Company has increased its valuation of the three RMAC assets by £2.0 million as a result of better than expected mortgage default rates
- The Company continues to work with mortgage originators to identify loans that do not satisfy representations and warranties provided at the time of the securitisation
 - Mortgage originators have agreed to buy back or replace 31 loans
 - Seventeen loans, totalling £2.3 million, are in arrears and will be replaced
 - 14 mortgage loans had defaulted and the mortgage originator will provide compensation payments of £350,000 to the relevant securitisation vehicles
- Alba 05-1, Alba 06-1, Eurosail 06-1 and Newgate 06-1 mortgage portfolios are valued at zero. The company believes little likelihood remains of recovery in these mortgage portfolios



Investment grade bond portfolio: Further investments and solid returns

- As at 30 September 2009, the Company had spent €11.4 million on bond investments, and a total of €13.3 million up to 24 November 2009. The average purchase price was 48% of the outstanding notional value of the bond
- Fair value gains of €0.7 million up 8% from last quarter.

Percentage of Portfolio by Value

Rating ¹ by Vintage ²	2003	2004	2005	2006	2007	Total
AAA	2.96%	12.87%	8.75%	19.49%	0.74%	44.81%
AA	0.00%	1.72%	0.00%	15.65%	0.00%	17.37%
A	0.00%	0.00%	4.74%	6.05%	0.00%	10.79%
BBB	0.00%	0.00%	6.06%	12.62%	8.35%	27.03%
Total	2.96%	14.59%	19.55%	53.81%	9.09%	100.00%

Percentage of Portfolio by Value

Rating ¹ by Type	UK Prime RMBS ³	UK Buy To Let RMBS ³	UK Non-Conforming RMBS ³	Euro Prime RMBS ³	UK CMBS ⁴	Euro CMBS ⁴	SME	Total
AAA	2.27%	8.29%	2.79%	6.16%	8.51%	11.54%	5.25%	44.81%
AA	1.72%	15.65%	0.00%	0.00%	0.00%	0.00%	0.00%	17.37%
A	0.00%	0.00%	0.00%	0.00%	0.00%	10.79%	0.00%	10.79%
BBB	6.06%	0.00%	7.62%	0.00%	0.00%	8.35%	5.00%	27.03%
Total	10.06%	23.93%	10.41%	6.16%	8.51%	30.68%	10.25%	100.00%

- Rating at time of purchase
- Vintage reflects the issue date of the bond. Weighted average rating of the portfolio (based on invested amount) is approximately BBB. Calculated using Moody's WARF (weighted average risk factor) approach.
- Residential Mortgage Backed Securities
- Commercial Mortgage Backed Securities

Past performance is not a guide to future results. Actual results and developments may differ materially from those expressed or implied herein.



Financial review – Balance sheet movements

- The table below summarises the changes in balance sheet values of the Company's investment portfolio by asset class
- Changes in the balance sheet value of the investment portfolio between 30 June and 30 September 2009 include €2.6 million of bond purchases, €4.1 million of principal amortisation due to cash received in the period, fair value write-ups of €0.2 million in relation to the residual investment portfolio and a €0.7 million fair value gain in relation to the bond portfolio

Asset Class	30 Jun 2009 B/S Value ^{1,2} (€mm)	30 Sep 2009 B/S Value ² (€mm)	Change to B/S Value Since 30 Jun 2009 (€mm)	Cashflows Received in the Quarter Ended 30 Sep 2009 (€mm)	Cashflows Received in the Quarter Ended 30 Jun 2009 ³ (€mm)
UK Mortgages	5.8	6.6	0.8	1.0	0.3
Euro Mortgages	59.8	56.6	-3.2	2.5	2.9
SME	33.6	32.1	-1.5	1.9	2.0
Investment Grade Bonds	6.0	9.2	3.2	0.3	0.4
TOTAL⁴	105.1	104.5	-0.6	5.8	5.6

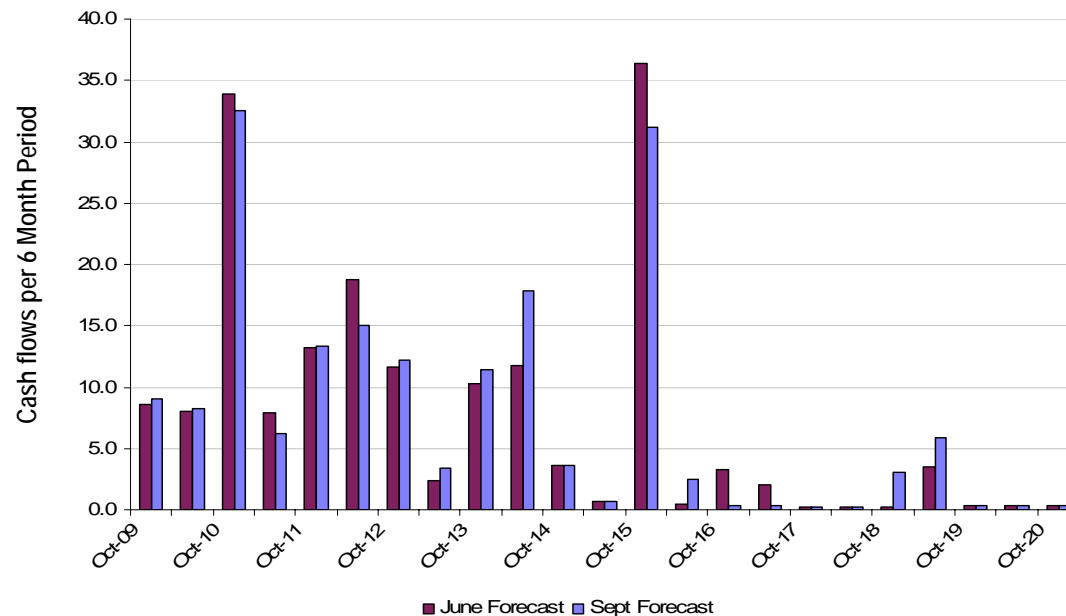
- Balance sheet values as at 30 June 2009 are expressed using 30 September 2009 FX rates
- The balance sheet value figures for 30 June 2009 and 30 September 2009 include accrued interest
- Cash flows for 30 June 2009 are expressed using 30 September 2009 FX rates
- The values for each column may not sum to the total due to rounding differences

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Expected cash flow profile of the Company's investment portfolio

Expected Cash Flow Profile from the Investment Portfolio Per 6 Month Period



1. Cash flows reflect both interest and principal repayments from the Company's residual and investment grade bond portfolio.
2. Cash flows for the 31 October 2010 period assume repurchase of the Magellan 1 and Magellan 2 portfolio by BCP.

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- Total loss adjusted cash flow forecasts as at 30 September 2009: €182 million
 - Total cash flow forecast as at 30 June 2009: €181.6 million (on a like for like basis)
- Total forecasted cash flows are better than expected following:
 - Recent bond purchases
 - Changes to cash flow forecasts
- Revised loss adjusted cash flow forecast uses conservative assumptions to reflect impact of further economic deterioration on the mortgage and SME portfolios
- The Company's market capitalisation is approximately €64 million



Company outlook: Towards greater stability

- QWIL has had a positive quarter supported by stabilising economic fundamentals
- Remain cautious about market conditions - asset valuations assume weakening in underlying loan performance
- The Company's total loss adjusted future cash flow forecast of €182 million is based on default rates that take into account a further weakening in mortgage and SME portfolios
- Cash flows from existing assets leave the Company well-positioned to repay its outstanding loan facilities
- Objective to provide investors a steady dividend while re-building NAV through selective asset purchases



Appendix 1 – Summary of facility schedules

Target Loan Amount

Date	Target Loan Amount ¹
31 December 2008	35,000,000
31 March 2009	33,000,000
30 June 2009	31,000,000
30 September 2009	28,500,000
31 December 2009	27,000,000
31 March 2010	25,000,000
30 June 2010	12,000,000
30 September 2010	10,000,000
31 December 2010	0
31 March 2011	0

1. The target loan amount prior to 30 June 2010 will reduce by €11 million when Magellan 1 is refinanced

Applicable Percentage Schedule

Date	Before Magellan 1 is refinanced	After Magellan 1 is refinanced
Residual Investments	30% until Sept 2009 27.5% until Dec 2009 20% thereafter	25% until Dec 2009 20% thereafter
ABS AA or above	50%	50%
ABS A or above	40%	40%
ABS BBB or above	30%	30%
ABS BB or above	15%	15%

The Applicable Percentage for all assets will be 10% after March 2011