

Annual report as per 31 December 2007  
I.R.E. German Property Holding B.V.



*Reported to the OMX Nordic Exchange Stockholm and OMX Nordic Exchange Copenhagen on February 29, 2008.*

The Board of I.R.E. German Property Holding B.V. (“GPH”) has today held a Board Meeting at which the annual report was considered and approved. The annual report is enclosed.

Summary:

GPH issued a bond in a private placement of € 32.0 million as per 1 March 2007 that subsequently was listed on the OMX Nordic Exchange Stockholm and OMX Nordic Exchange Copenhagen in May 2007. However this annual report is based on 12 months figures for the period 1 January – 31 December 2007.

The consolidated result after tax for GPH was a loss of € 0.3 million compared to a profit of € 10.4 million in the corresponding period 2006.

Net operating income for 2007 amounts to € 5.7 million and the equity of GPH per December 31, 2007 amounts to € 15.6 million.

GPH owns 24 properties in Germany (Berlin and Magdeburg) with a total of 119,144 square metres. The main part (80.2%) is residential, offices (12.1%) and retail and others (7.7%).

The consolidated book value of the properties at December 31, 2007 amounts to € 117.6 million.

Please address questions relating to this Notice to Daniel Akselson on telephone + 31 653 304590.

**Notice to the Stockholm Stock Exchange no. 6**  
**Notice to the Copenhagen Stock Exchange no. 6**  
**Report as per December 31, 2007**  
**I.R.E. German Property Holding B.V.**  
Chamber of Commerce no. 32108902  
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## Statement by Management on the report

The Board has today presented the annual report for the period January 1, 2007 to December 31, 2007. The annual report has today been considered and approved.

The annual report has been presented in accordance with the International Financial Reporting Standards as well as additional requirements of the OMX Nordic Exchange Stockholm and OMX Nordic Exchange Copenhagen on the financial reporting of companies with listed bonds.

We consider the applied accounting policies appropriate and the accounting estimates and we believe that the annual report contains the information relevant for evaluation of GPH's financial affairs. We therefore believe that the annual report provides a true and fair view of GPH's financial position and of the results of its activities for the period January 1, 2007 to December 31, 2007.

This annual report has not been audited. The next report (interim Q1) will be published on May 30, 2008.

The general shareholders meeting will be held on 23 April 2008. The audited annual report will be made available to the public on 30 April 2008.

Bussum, February 29, 2008

### The Board

S.A.D. Akselson  
Director

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## Financial review

GPH's comparative figures constitute the period January 1, 2006 up to December 31, 2006.

The result after tax amounts to a loss of € 0.3 million compared with a profit of € 10.4 million in the comparative period.

Revenue for the period amounts to € 7.6 million. On December 31, 2007 the equity of GPH amounts to € 15.6 million.

GPH owns 24 properties in Germany (Berlin and Magdeburg) with a total of 119,144 square metres. The main part (80.2%) is residential, offices (12.1%) and retail and others (7.7%).

The book value of the properties as of December 31, 2007 amounts to € 117.6 million. Value adjustments of properties have been recognised in the financial statement item value adjustments.

### Accounting policies

This annual report has been prepared in accordance to the International Financial Reporting Standards (IFRS) as well as additional requirements of the OMX Nordic Exchange Stockholm and OMX Nordic Exchange Copenhagen on the financial reporting of companies with listed bonds.

### Events after the end of the financial period

Management is not aware of any events occurring after December 31, 2007 which would be expected to materially influence the financial position or outlook of the Group.

## Consolidated financial statements

	(Amounts in € '000)	
	January 1, 2007	January 1, 2006
Income statement	- December 31, 2007	- December 31, 2006
	12 months	12 months
<b>Revenue</b>	<b>7,593</b>	<b>4,120</b>
Operating expenses	(2,489)	(2,480)
Value adjustments	567	15,138
<b>Net operating income (NOI)</b>	<b>5,671</b>	<b>16,778</b>
Administrative expenses	(216)	(926)
<b>Result before depreciation (EBITDA)</b>	<b>5,455</b>	<b>15,852</b>
Depreciation	(115)	(54)
<b>Result before interest and tax (EBIT)</b>	<b>5,340</b>	<b>15,798</b>
Net financials	(5,588)	(4,983)
<b>Result before tax (EBT)</b>	<b>(248)</b>	<b>10,815</b>
Result third parties	(22)	(443)
Tax on result for the period	(9)	(7)
<b>Result after tax</b>	<b>(279)</b>	<b>10,365</b>
<b>Balance sheet</b>		
<b>Assets</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>
Investment properties	117,610	99,260
Fixed asset investments	916	652
Receivables	1,877	339
Prepayments	1,698	837
Cash	5,054	4,434
<b>Total assets</b>	<b>127,155</b>	<b>105,522</b>
<b>Equity and liabilities</b>		
Equity	15,555	9,544
Share third parties	409	387
Deferred tax	3,095	5,422
Long-term liabilities	97,948	61,617
Short-term liabilities	10,148	28,552
<b>Total equity and liabilities</b>	<b>127,155</b>	<b>105,522</b>

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## Statement of changes in equity

	(Amounts in € '000)	
	January 1, 2007 - December 31, 2007	January 1, 2006 - December 31, 2006
<b>Equity at beginning of period</b>	<b>9,544</b>	<b>(1,514)</b>
First adoption IFRS	0	693
Increase of sharepremium reserve	6,240	0
Increase in sharecapital	50	0
Result for the period	(279)	10,365
<b>Equity at end of period</b>	<b>15,555</b>	<b>9,544</b>

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## Cashflow statement

	(Amounts in € '000)	
	January 1, 2007	January 1, 2006
Cashflow statement	- December 31, 2007	- December 31, 2006
	12 months	12 months
<b>Operating result</b>	<b>5,340</b>	<b>15,799</b>
Total depreciation	115	53
Movement provision	(2,327)	5,422
<b>Depreciation / movement provisions</b>	<b>(2,212)</b>	<b>5,475</b>
Movement short-term receivables	2,400	(365)
Movement short-term liabilities	(18,404)	11,246
<b>Movement working capital</b>	<b>(20,804)</b>	<b>11,611</b>
<b>Operating cash flow</b>	<b>(17,676)</b>	<b>32,885</b>
Paid and received interest	5,587	4,984
Paid tax	9	7
<b>Other operating activities</b>	<b>(5,596)</b>	<b>(4,991)</b>
<b>Cashflow from operating activities</b>	<b>(23,272)</b>	<b>27,894</b>
Intangible fixed assets	371	(3,626)
Tangible fixed assets	18,358	59,161
<b>Cashflow from investments</b>	<b>(18,729)</b>	<b>(55,535)</b>
Withdrawal loans	47,283	31,146
Redemption of loans	(10,952)	(108)
Equity contribution	6,290	0
First adoption IFRS	0	693
<b>Cashflow from financial activities</b>	<b>42,621</b>	<b>31,731</b>
<b>Movement in cash</b>	<b>620</b>	<b>4,090</b>