

Preliminary unaudited annual report as per 31 December 2008
I.R.E. German Property Holding B.V.



Reported to the OMX Nordic Exchange Stockholm and OMX Nordic Exchange Copenhagen on May 29, 2009.

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

The consolidated result after tax for GPH was a loss of €11.8 million compared to a loss of €0.3 million in the corresponding period 2007.

Revenue for the period amounts to €8.2 million. On December 31, 2008 the equity of GPH amounts to €3.8 million.

At year end GPH owned 22 properties in Germany located in Berlin and Magdeburg, with a total of 116,751 square metres – of which 79.8% is residential, 12.3% is offices and 7.8% is retail and others.

The consolidated book value of the properties at December 31, 2008 amounts to € 112.7 million.

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

Notice to the Stockholm Stock Exchange no. 10
Notice to the Copenhagen Stock Exchange no. 10
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I.R.E. German Property Holding B.V.
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Statement by Management on the preliminary unaudited annual report

The Board has today presented the preliminary unaudited annual report for the period January 1, 2008 to December 31, 2008. The preliminary unaudited annual report has today been considered and approved.

The preliminary unaudited 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.

This preliminary annual report has not been audited.

Bussum, 29 May, 2009

The Board

S.A.D. Akselson
Director

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Financial review

GPH's comparative figures constitute the period January 1, 2007 up to December 31, 2007.

The result after tax amounts to a loss of €11.8 million compared with a loss of €0.3 million in the comparative period.

Revenue for the period amounts to €8.2 million. On December 31, 2008 the equity of GPH amounts to €3.8 million.

At year end GPH owned 22 properties in Germany located in Berlin and Magdeburg, with a total of 116,751 square metres – of which 79.8% is residential, 12.3% is offices and 7.8% is retail and others.

In December 2008 the properties Liebigstrasse 9 and 9a were sold.

The book value of the properties as of December 31, 2008 amounts to €112.7 million. The total value adjustments 2008 amounts to negative €8.5 million before deferred tax. The deferred tax amounts to €1.3 million. The net value adjustments amounts to negative €7.2 million.

Value adjustments such as interest rate swaps/caps have been recognised in the item net financials. The total of the value adjustments for interest rate swaps/caps amounts to negative €1.8 million.

At the beginning of the financial period a capital reserve (kapitalrücklage) for two of the German subsidiaries have been formed.

Accounting policies

This preliminary unaudited 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

- The effective interest in the properties Holzmarkstrasse 69, 73 and 75, Friedrichstrasse 56, Schinkestrasse 4-5 and Landsberger Allee 88-102 have been sold;
- The interest for the bond loan has not been paid.

Consolidated financial statements (unaudited)

	(Amounts in €'000)	
	January 1, 2008	January 1, 2007
Income statement	- December 31, 2008	- December 31, 2007
Revenue	8,165	7,593
Operating expenses	(4,330)	(2,377)
Value adjustments	(8,703)	567
Net operating income (NOI)	(4,868)	5,783
Administrative expenses	(259)	(328)
Result before depreciation (EBITDA)	(5,127)	5,455
Depreciation	(41)	(115)
Result before interest and tax (EBIT)	(5,168)	5,340
Net financials	(8,488)	(5,588)
Result before tax (EBT)	(13,656)	(248)
Result third parties	309	(22)
Tax on result for the period	1,542	(9)
Result after tax	(11,805)	(279)
Balance sheet		
	December 31, 2008	December 31, 2007
Assets		
Investment properties	112,741	117,610
Financial fixed assets	0	916
Receivables	1,408	1,877
Prepayments	1,547	1,698
Cash	2,592	5,054
Total assets	118,288	127,155
Equity and liabilities		
Equity	3,750	15,555
Minority interest	100	409
Deferred tax	1,333	3,095
Long-term liabilities	98,670	97,948
Short-term liabilities	14,435	10,148
Total equity and liabilities	118,288	127,155

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Statement of changes in equity (unaudited)

	(Amounts in €'000)	
	January 1, 2008 - December 31, 2008	January 1, 2007 - December 31, 2007
Equity at beginning of period	15,555	9,544
Increase of sharepremium reserve	0	6,240
Increase in sharecapital	0	50
Result for the period	(11,805)	(279)
Equity at end of period	3,750	15,555

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Cashflow statement (unaudited)

	(Amounts in € '000)	
	January 1, 2008	January 1, 2007
Cashflow statement	- December 31, 2008	- December 31, 2007
Operating result	(5,168)	5,340
Adjustment for:		
Loss on revaluation of investment property	8,472	0
Operating cash flows before movements in working capital	3,304	5,340
Total depreciation	41	115
Addition to provision	0	(2,327)
Depreciation / movement provisions	41	(2,212)
Movement short-term receivables	(620)	2,400
Movement short-term liabilities	4,439	(18,404)
Movement working capital	5,059	(20,804)
Operating cash flow	8,404	(17,676)
Paid and received interest	8,241	5,587
Paid tax	218	9
Other operating activities	(8,459)	(5,596)
Cashflow from operating activities	(55)	(23,272)
Disposal of financial fixed assets	253	(371)
Investments in tangible fixed assets	(4,380)	0
Disposal of tangible fixed assets	760	(18,358)
Cashflow from investments	(3,367)	(18,729)
Withdrawal loans	2,422	47,283
Redemption of loans	(1,462)	(10,952)
Equity contribution	0	6,290
Cashflow from financial activities	960	42,621
Movement in cash	(2,462)	620

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