Treveria PLC

Report and Financial Statements

For the year ended 31 December 2011

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CHAIRMAN'S STATEMENT

During 2011 and in the first part of 2012, our focus has been on setting in motion a sales programme in order to deleverage the portfolio and to create opportunities for the return of cash to shareholders. At the same time we have been actively managing short-term financial debt, seeking to extend maturities and renegotiate terms with lenders. All lending facilities are due to mature in the second half of 2012, and four out of our six silos are in breach of loan-to-value covenants. In addition, the Group continued restructuring its operations. We believe our cost-cutting measures will result in a leaner, nimbler, more efficient business, and we plan to continue working actively to cut costs at all levels of our corporate structure.

Revaluation and net asset value

We report in these Financial Statements a small decline in the portfolio value from €1.37 billion at the end of 2010 (excluding properties sold during 2011 and additional investments in existing properties) to €1.33 billion at the end of 2011. Whereas in 2010 the Group's property portfolio was valued by DTZ Debenham Tie Leung Limited, in 2011, after a careful review of its options, we decided to ask our subsidiary, Treveria Asset Management (TAM), to provide regular valuations of our property portfolio going forward. The Board believes that TAM not only represents the most cost efficient option, but that their expertise and intimate knowledge of the unique characteristics of each of our properties should also result in insightful and nuanced valuations. This represents a change to the intended approach for the year-end as described in the half-year results. However, the Board has satisfied itself that the TAM valuation exercise was carried out in a professional manner, using the same techniques and principles as an independent valuer would have applied. Where possible, the values have been validated against sales transactions either completed or in the pipeline since the year-end.
The adjusted net asset value per share of the Group was €48.9c as of 31 December 31 2011 compared with €54.0c as of 31 December 2010.

Finance and banking

As mentioned earlier, we have been diligently seeking to secure the long term lending arrangements for each silo.

<u>Silo D (Deutsche Bank/Citigroup; loan €211.2 million; securitised)</u>

On 19 July 2011, management reached an agreement with its lenders to extend the maturity date on the Silo D loan facility to 20 July 2012 and to waive any hard breaches of loan-to-value and debt service cover ratio covenants until the new maturity date. We have requested further extensions on terms that are acceptable to Treveria, and are selectively marketing properties for sale.

<u>Silo E (ABN Amro; loan €418.1 million; securitised)</u>

On 7 October 2011, an agreement was reached with Hatfield Philips Limited, the acting Servicer for Silo E's lenders, to extend the Final Maturity Date of the loan until 15 July 2012. We have requested further extensions on terms that are acceptable to Treveria, and are selectively marketing properties for sale.

<u>Silo G (J P Morgan; loan €43.7 million; syndicated loan)</u>

The Silo G loan is performing in accordance with the loan agreement with the lender. The loan matures on 19 November 2012. The sales process for many properties in Silo G is well advanced, and if successful this will enable us to repay the loan and create surplus cash. Silo G is not cash trapped.

<u>Silo J (properties free of any mortgage or charge)</u>

Silo J, which contains eight properties valued at €3.9 million, is free of any mortgage or charge.

<u>Silo F/K (Eurohypo; loan €423.8 million; sole lender)</u>

The Silo F/K loan is set to mature on 25 July 2012. The Directors are trying to extend the existing loan or to seek refinancing. Should the lender, Eurohypo, foreclose on Silo F/K or fail to extend the existing loan, the value of the portfolio will be significantly impaired with significant losses to Eurohypo. We are hopeful that Eurohypo will work closely with us to find a solution that is acceptable to all stakeholders.

Other developments

The German tax authorities declined Treveria Holdings Limited request for RETT (Real Estate Transfer Tax) relief. An appeal has been filed. We understand the current estimate of the RETT claim against Treveria Holdings Limited to be in the range of €39.9 million. Since Treveria plc has advanced loans in the amount of €646.1 million to Treveria Holdings, we have received advice that any cash at Treveria Holdings would be split 94.2% and 5.8% between Treveria plc and the German tax authorities, respectively, according to the pari passu principle. We are working closely with the German tax authorities to the fullest extent possible in order arrive at a solution to the RETT claim that is acceptable to all parties.

Board and management

In February 2012, David Parnell and Christopher Lovell resigned and Graham Smith was appointed as a non-executive director. Graham Smith is an executive director of IOMA Fund and Investment Management Limited, the Company's administrator since November 2010. Philip Scales, who is also an executive director of IOMA Fund and Investment Management Limited, has been appointed as company secretary to the Company in succession to David Parnell. I would like to thank David and Christopher very much for all their past assistance and guidance. Both men were appointed to the Board when the Company was first launched in December 2005. We wish them every success for the future.

In April 2012, Rolf Elgeti and Nicholas Cournoyeur also resigned. Their contribution will be missed. We were very pleased to be able to appoint David Malpica in May 2012. He brings with him a wealth of experience in real estate, including distressed situations.

Eitan Milgram
Acting Chairman

30 May 2012

ASSET MANAGER'S REVIEW

Portfolio performance

As of 31 December 2011, Treveria Asset Management (TAM), a wholly owned subsidiary of Treveria plc, provided asset management services to over 369 properties with approximately 1.1 million square metres of total lettable space. Over the past year, we were able to secure or extend 233 leases representing annual rent of €15.3 million with both new and existing tenants.

As part of our drive to decrease expenses, we closed our office in Munich and flattened our organization. We now operate solely out of Frankfurt, Hamburg and Düsseldorf.

Some of our major achievements include new contracts with TK MAXX (Saarbrücken), MediaMarkt (Wilhelmshaven), Mayersche Buchhandlung (Bochum) and Conti-Park (Dortmund). We also finalized new leases with well-known German retail chains such as Deichmann, Takko, Reno, and Adler, as well as with international retailers such as Cotton On and Body Shop. As a result of our asset management efforts, vacancy decreased from 14.7% of total lettable space as of 31 December 2010 to 13.8% as of 31 December 2011.

We arranged for the sale of twelve properties for a gross consideration to Treveria of €57 million. We did not acquire or enter into any new contracts to acquire property for Treveria plc in 2011.

In January 2012, we decided to terminate the contract of Thomas Laemmerhirt, our former CFO. Bernhard Fuhrmann, who took over as our interim CEO in 2011, resigned in February 2012. In his succession, the Company appointed me as CEO effective February 2012. I have been given a mandate to ensure that we achieve profitability as a standalone entity.

Given our considerable infrastructure, the high quality of our employees, and our existing agreements with Treveria plc's silos, we believe that we are well positioned to win additional asset management mandates and to transform TAM into a viable asset management platform. We are currently positioning ourselves as the asset manager of choice for several large portfolios in Germany that we believe will need our services.

Christoph Maichel
Treveria Asset Management GmbH

30 May 2012

Directors' report

The Directors submit their report with the audited financial statements for the year ended 31 December 2011. A review of the Group's business and results for the year is contained in the Chairman's statement, which should be read in conjunction with this report.

Business of the Group
Treveria plc is the Group holding company. The principal activity of its operating subsidiaries is the business of investing in and managing German commercial real estate, with a primary focus on retail assets.

Results for the year and dividends
The results are set out in the Statement of comprehensive income on page 10.

The total comprehensive loss attributable to the equity holders of the parent company for the year was €13,056,000 (2010: income of €131,342,000). During the year, the Company did not pay any dividend (2010: €24,234,000) resulting in €13,056,000 being charged (2010: €107,108,000 being retained) and transferred to reserves.

The Board decided that there would be no interim dividend (2010: €nil) and the Directors now recommend no payment of a final dividend (2010: €nil) for the year ended 31 December 2011.

Directors
The Directors who held office during the year and to the date of this report were:

	Date of appointment or resignation (if during period under review)
Eitan Milgram *(Acting Chairman since 19 April 2012)*	
Jeffrey Strong	
Rolf Elgeti *(Chairman to date of resignation)*	resigned on 17 April 2012
Nicholas Cournoyer	resigned on 18 April 2012
Christopher H Lovell	resigned on 8 February 2012
David Parnell	resigned on 8 February 2012
Josef (Yossi) Raucher	resigned on 20 January 2011
Graham Smith	appointed on 8 February 2012
David Malpica	appointed on 15 May 2012

All of the directors are non-executive.

Directors' interests

Eitan Milgram is a Portfolio Manager and Executive Vice President at Weiss Asset Management LP which manages, independently, Brookdale International Partners LP and Brookdale Global Opportunity Fund, both of which hold an interest in the shares in the Company as shown under "Substantial Shareholders". Josef (Yossi) Raucher is an investment professional at Weiss Asset Management LP.

Nicholas Cournoyer, is a Partner in Montpelier Investment Management LLP which holds an interest in the shares in the Company as shown under "Substantial Shareholders"

Jeffrey Strong is a senior investment professional at QVT Financial LP which holds an interest in the shares in the Company as shown under "Substantial Shareholders".

None of the other Directors listed above had an interest in the share capital of the Company in the year ended 31 December 2011 (2010: €nil).

Substantial shareholders
At the date of this report, the following shareholders had substantial interests in the issued share capital of the Company:

Shareholder	Number of ordinary shares in which interested	% of issued share capital of the Company
Montpelier Investment Management LLP	129,209,736	21.36
Brookdale International Partners LP	118,464,824	19.58
QVT Financial LP	61,705,605	10.20
Brookdale Global Opportunity Fund	57,021,352	9.42
LCF Edmond De Rothschild	48,911,200	8.08
Taube Hodson Stonex Partners LLP	29,428,997	4.86
Alpine Woods Capital Investors LLC	23,978,899	3.96

Brookdale International Partners LP and Brookdale Global Opportunity Fund are independent funds managed by Weiss Asset Management LP.

Treasury operations and financial instruments
The Group's policy in relation to financial risk management and use of financial instruments is set out in note 21 to the financial statements.

Auditors and disclosure of information to auditors
So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the Board

Philip Scales
Company Secretary
30 May 2012

Statement of Directors' responsibilities in respect of the Directors report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year, which meet the requirements of Isle of Man company law. In addition, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Parent Company and of the profit or loss of the Group and the Parent Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Acts 1931 to 2004. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

Independent auditors' report
To the members of Treveria plc

We have audited the financials of Treveria plc for the year ended 31 December 2011 which comprise the Consolidated and the Company Statements of Comprehensive Income, the Consolidated and the Company Statements of Financial Position, the Consolidated and the Company Statements of Cash Flows and the Consolidated and the Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS).

This report is made solely to the Company's members, as a body, in accordance with Section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors
As explained more fully in the Statement of Directors' responsibilities set out on page 7, the Directors are responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2011 and of the Group's and the Company's loss for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been properly prepared in accordance with the provisions of Companies Acts 1931 to 2004.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Company and proper returns adequate for our audit have not been received from branches not visited by us;
- the Company's Statement of comprehensive income and Statement of financial position are not in agreement with the books of account and returns;
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Emphasis of matter – negotiations with lenders
In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the possible outcome of on-going negotiations with the lenders to the Group. The outcome of such negotiations is uncertain, leading to the risk that one or more lenders could enforce their security against the Group. Whilst this would not affect the ability of the Group to continue as a going concern, it could have a significant potential impact on the classification and valuation of the relevant property assets included in the Group Statement of Financial Position at 31 December 2011 and hence on the reported loss of the Group for the year then ended. However, the ultimate outcome of this matter cannot be presently determined and therefore no adjustment has been made in the financial statements to reflect this matter.

KPMG Audit LLC
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN
30 May 2012

Statements of comprehensive income
for the year ended 31 December 2011

		Group		Company	
	Note	**Year ended 31 December 2011 €000**	Year ended 31 December 2010 €000	**Year ended 31 December 2011 €000**	Year ended 31 December 2010 €000
Gross rental income		**95,138**	124,324	—	—
Direct costs	6	**(20,317)**	(29,883)	**(279)**	(303)
Net rental income		**74,821**	94,441	**(279)**	(303)
Profit from disposal of investment properties		**562**	1,486	—	—
(Deficit)/surplus on revaluation of investment properties	12	**(37,747)**	73,529	—	—
RETT provision no longer required (net of related expenses)	18	**—**	37,417	**—**	—
Other income		**5**	—	**30**	—
Write (down)/back of amounts due from subsidiaries	28	—	—	**(12,321)**	136,033
Administrative expenses	6	**(11,781)**	(12,414)	**(909)**	(2,080)
Operating profit/(loss)		**25,860**	194,459	**(13,479)**	133,650
Finance revenue	8	**423**	986	**423**	578
Finance expense	8	**(55,245)**	(77,531)	—	—
Change in fair value of derivative financial instruments	22	**14,280**	1,945	—	—
Gain on derecognition of subsidiaries		—	23,140	—	—
(Loss)/profit before tax		**(14,682)**	142,999	**(13,056)**	134,228
Income tax credit/(charge)	9	**1,676**	(11,601)	—	—
(Loss)/profit for the year		**(13,006)**	131,398	**(13,056)**	134,228
(Loss)/profit attributable to:					
Equity holders of the parent company		**(13,006)**	131,273	**(13,056)**	134,228
Non-controlling interests		—	125	—	—
(Loss)/profit for the year		**(13,006)**	131,398	**(13,056)**	134,228
Other comprehensive income					
Foreign exchange translation differences		**(50)**	69	—	—
Other comprehensive profit for the year		**(50)**	69	—	—
Total comprehensive (loss)/income for the year		**(13,056)**	131,467	**(13,056)**	134,228
Total comprehensive (loss)/income attributable to:					
Equity holders of the parent company		**(13,056)**	131,342	**(13,056)**	134,228
Non-controlling interests		—	125	—	—
Total comprehensive (loss)/income for the year		**(13,056)**	131,467	**(13,056)**	134,228
(Loss)/earnings per share					
Basic (loss)/earnings for the year attributable to ordinary equity holders of the parent company	10	**(2.14)c**	**21.64c**		
Diluted (loss)/earnings for the year attributable to ordinary equity holders of the parent company	10	**(2.14)c**	**21.61c**		

Dividends of €nil (2010: €24,234,000) were paid during the year (see note 26).

The notes on pages 15 to 43 form an integral part of the financial statements

Statements of financial position
As at 31 December 2011

		Group		Company	
		2011	2010	**2011**	2010
	Note	**€000**	€000	**€000**	€000
Non-current assets					
Investment properties	12	**1,324,691**	1,412,070	—	—
Fixed assets		**209**	274	—	—
Investments in subsidiaries	13	—	—	**250**	250
Amounts due from subsidiaries	28	—	—	**237,854**	235,914
Total non-current assets		**1,324,900**	1,412,344	**238,104**	236,164
Investment property held for disposal	14	**38,865**	5,780	—	—
Current assets					
Trade and other receivables	15	**11,184**	13,639	**24**	20
Prepayments		**3,024**	2,768	**37**	—
Cash and short-term deposits	16	**65,943**	79,393	**33,323**	49,154
Total current assets		**80,151**	95,800	**33,384**	49,174
Total assets		**1,443,916**	1,513,924	**271,488**	285,338
Current liabilities					
Trade and other payables	17	**20,154**	26,897	**596**	1,130
Provision for RETT	18	**1,000**	1,000	—	—
Interest-bearing loans and borrowings	19	**1,089,770**	1,076,121	—	—
Finance lease obligations	20	**3,166**	3,181	—	—
Current tax liabilities		**6,832**	7,020	—	—
Derivative financial instruments	22	**10,777**	23,856	—	—
Total current liabilities		**1,131,699**	1,138,075	**596**	1,130
Non-current liabilities					
Interest-bearing loans and borrowings	19	—	43,264	—	—
Finance lease obligations	20	**27,445**	28,918	—	—
Deferred tax liabilities	9	**13,880**	18,084	—	—
Derivative financial instruments	22	—	1,375	—	—
Total non-current liabilities		**41,325**	91,641	—	—
Total liabilities		**1,173,024**	1,229,716	**596**	1,130
Net assets		**270,892**	284,208	**270,892**	284,208
Equity					
Issued capital	23	**6,050**	6,071	**6,050**	6,071
Capital redemption reserve	24	**1,109**	1,088	**1,109**	1,088
Own shares held		**(2)**	(8)	**(2)**	(8)
Retained earnings and other distributable reserve	24	**263,735**	277,057	**263,735**	277,057
Total equity attributable to the equity holders of the parent company		**270,892**	284,208	**270,892**	284,208
Non-controlling interests		—	—	—	—
Total equity		**270,892**	284,208	**270,892**	284,208

The financial statements on pages 10 to 14 were approved by the Board of Directors on 30 May 2012 and were signed on its behalf by:

Eitan Milgram — ***Director***

Graham Smith — ***Director***

The notes on pages 15 to 43 form an integral part of the financial statements

Statements of changes in equity
for the year ended 31 December 2011

Group	Issued capital €000	Capital redemption reserve €000	Own shares held €000	Retained earnings and other distributable reserve €000	Total equity attributable to the equity holders of the parent €000	Non controlling interests €000	Total equity €000
Balance as at 31 December 2009	6,035	1,088	—	166,802	173,925	2,761	176,686
Total comprehensive income							
Profit for the year	—	—	—	131,273	131,273	125	131,398
Other comprehensive income	—	—	—	69	69	—	69
Total comprehensive income	**—**	**—**	**—**	**131,342**	**131,342**	**125**	**131,467**
Contributions by and distributions to equity holders							
Issue of shares	36	—	(36)	—	—	—	—
Equity-settled share-based payment transactions, reserve movement	—	—	28	261	289	—	289
Equity dividend	—	—	—	(24,234)	(24,234)	—	(24,234)
Effect of derecognition of subsidiaries	—	—	—	2,886	2,886	(2,886)	—
Total contributions by and distributions to equity holders	**36**	**—**	**(8)**	**(21,087)**	**(21,059)**	**(2,886)**	**(23,945)**
As at 31 December 2010	**6,071**	**1,088**	**(8)**	**277,057**	**284,208**	**—**	**284,208**
Total comprehensive income							
Loss for the year	—	—	—	(13,006)	(13,006)	—	(13,006)
Other comprehensive income	—	—	—	(50)	(50)	—	(50)
Total comprehensive income	—	—	—	(13,056)	(13,056)	—	(13,056)
Contributions by and distributions to equity holders							
Own shares acquired	(21)	21	—	(310)	(310)	—	(310)
Equity-settled share-based payment transactions, reserve movement	—	—	6	44	50	—	50
Total contributions by and distributions to equity holders	**(21)**	**21**	**6**	**(266)**	**(260)**	**—**	**260**
Balance as at 31 December 2011	**6,050**	**1,109**	**(2)**	**263,735**	**270,892**	**—**	**270,892**

The notes on pages 15 to 43 form an integral part of the financial statements

Statements of changes in equity
for the year ended 31 December 2011

Company	Issued capital	Capital redemption reserve	Own shares held	Retained earnings and other distributable reserve	Total equity attributable to the equity holders of the parent	Non controlling interests	Total equity
	€000	€000	€000	€000	€000	€000	€000
Balance as at 31 December 2009	6,035	1,088	—	166,802	173,925	—	173,925
Total comprehensive income							
Profit for the year	—	—	—	134,228	134,228	—	134,228
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income	**—**	**—**	**—**	**134,228**	**134,228**	**—**	**134,228**
Contributions by and distributions to equity holders							
Issue of shares	36	—	(36)	—	—	—	—
Equity-settled share-based payment transactions, reserve movement	—	—	28	261	289	—	289
Equity dividend	—	—	—	(24,234)	(24,234)	—	(24,234)
Total contributions by and distributions to equity holders	**36**	**—**	**(8)**	**(23,973)**	**(23,945)**	**—**	**(23,945)**
Balance as at 31 December 2010	**6,071**	**1,088**	**(8)**	**277,057**	**284,208**	**—**	**284,208**
Total comprehensive income							
Loss for the year	—	—	—	(13,056)	(13,056)	—	(13,056)
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income	**—**	**—**	**—**	**(13,056)**	**(13,056)**	**—**	**(13,056)**
Contributions by and distributions to equity holders							
Own shares acquired	(21)	21	—	(310)	(310)	—	(310)
Equity-settled share-based payment transactions, reserve movement	—	—	6	44	50	—	50
Total contributions by and distributions to equity holders	**(21)**	**21**	**6**	**(266)**	**(260)**	**—**	**(260)**
Balance as at 31 December 2011	**6,050**	**1,109**	**(2)**	**263,735**	**270,892**	**—**	**270,892**

The notes on pages 15 to 43 form an integral part of the financial statements

Statements of cash flows
for the year ended 31 December 2011

	Note	Group 2011 €000	Group 2010 €000	Company 2011 €000	Company 2010 €000
Operating activities					
(Loss)/profit before tax		**(14,682)**	142,999	**(13,056)**	134,228
Profit from disposal of investment properties	5	**(562)**	(1,486)	—	—
Deficit/(surplus) on revaluation of investment properties	12	**37,747**	(73,529)	—	—
RETT provision no longer required (net of related expenses)	18	—	(37,417)	—	—
Gain on derecognition of subsidiaries	2(a)	—	(23,140)	—	—
Depreciation of fixed assets		**143**	138	—	—
Write down/(back) of amounts due from subsidiaries	28	—	—	**12,321**	(136,033)
Finance revenue	8	**(423)**	(986)	**(423)**	(578)
Finance expense	8	**55,245**	77,531	—	—
Change in fair value of derivative financial instruments	22	**(14,280)**	(1,945)	—	—
Equity-settled share-based payment transactions		**50**	253	**50**	253
Net cash flows from operations before changes in working capital		**63,238**	82,418	**(1,108)**	(2,130)
Changes in working capital					
(Increase)/decrease in trade and other receivables		**(2,194)**	2,751	**(4)**	56
Increase in prepayments		—	—	**(37)**	—
(Decrease)/increase in trade and other payables		**(5,070)**	(1,535)	**(534)**	410
Income tax paid		**(1,706)**	(1,536)	—	—
Net cash flows from operating activities		**54,268**	82,098	**(1,683)**	(1,664)
Investing activities					
Purchase of and additions to investment properties and fixed assets		**(8,506)**	(2,363)	—	—
Proceeds from disposal of investment properties		**28,442**	9,231	—	—
Finance revenue received		**423**	986	**423**	578
Net cash flows from investing activities		**20,359**	7,854	**423**	578
Financing activities					
Dividends paid to equity holders of the parent company	26	—	(24,234)	—	(24,234)
Amounts lent to subsidiary companies		—	—	**(14,261)**	(8,220)
Proceeds from issue of shares		—	36	—	36
Purchase of own shares		**(310)**	—	**(310)**	—
Repayment of loans		**(29,664)**	(23,093)	—	—
Finance expense paid		**(58,277)**	(79,413)	—	—
Settlement of derivative financial instruments		**174**	(283)	—	—
Finance charges paid		—	—	—	—
Net cash flows from financing activities		**(88,077)**	(126,987)	**(14,571)**	(32,418)
Decrease in cash and short-term deposits		**(13,450)**	(37,035)	**(15,831)**	(33,504)
Cash and short-term deposits as at 1 January		**79,393**	128,250	**49,154**	82,658
Effects on cash held in derecognised subsidiaries		—	(11,822)	—	—
Cash and short-term deposits at 31 December	16	**65,943**	79,393	**33,323**	49,154

The notes on pages 15 to 43 form an integral part of the financial statements

Notes to the consolidated financial statements
for the year ended 31 December 2011

1. General information
Treveria plc (the Company) is a company incorporated and domiciled in the Isle of Man whose shares are publicly traded on AIM.

The consolidated financial statements of Treveria plc comprise the Company and its subsidiaries (together referred to as the Group). The parent company financial statements present information about the Company as a separate entity and not about its Group. The financial statements for the Group and the parent company have been prepared for the year ended 31 December 2011.

The principal activities of the Group are described in note 4.

The Company acts as the investment holding company of the Group.

2. Significant accounting policies
(a) Basis of preparation
The financial statements have been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value. The financial statements are presented in euro and all values are rounded to the nearest thousand (€000) except when otherwise indicated.

The financial statements have been prepared in accordance with IFRS and also to comply with the Isle of Man Companies Acts 1931 to 2004.

These financial statements have been prepared on a going concern basis as it is the view of the Directors that this is the most appropriate basis of preparation to adopt having considered the issues identified below.

The Group's property portfolios are largely funded by external debt facilities. Under the terms of the debt agreements each debt obligation is "ring fenced" within a sub-group of companies. Treveria plc, the ultimate parent company, is not itself a party to any of the finance documents (in any capacity including as borrower, guarantor or security provider). The finance providers would therefore not have any recourse to the ultimate parent under the finance documents. Further details of the loans and financial risks are provided in note 21 to the financial statements.

In the event that the real estate market deteriorates and valuations fall, certain loan-to-value ratio levels could rise above permitted ratio levels. Various events which have an impact on certain of the loans have occurred:

- on 19 July 2011, an agreement was reached with Deutsche Bank AG and Citigroup Global Markets Limited in relation to the second facility – Silo D (see note 19). Under this agreement the banks agreed to extend the loan maturity date to 20 July 2012 and to waive any loan-to-value and debt service cover ratio hard breaches until the new maturity date;

- Eurohypo AG – Silo F/K (see note 19). The bank agreed to extend the waiver on the loan-to-value covenant until 30 September 2011. The Group is in continuing discussions with the bank regarding an extension of the loan-to-value covenant, although no formal agreement has yet been reached. On the basis of the values adopted for the properties in this silo in the Consolidated Statement of Financial Position as at 31 December 2011, a breach of the loan-to-value covenant exists although the bank has not taken any action to enforce its rights;

- on 7 October 2011, an agreement was reached with Hatfield Philips Limited, acting as Servicer for the lenders in Silo E (see Note 19), to extend the Final Maturity Date of the loan. This has so far been extended until 15 July 2012;

The permitted loan-to-value ratios in the debt arrangements as at 31 December 2011 were between 76% and 85% with a weighted average that was 82.6%. The "hard breach" loan-to-value ratio covenants were between 76% and 95% with a weighted average that was 90.2%. Were the lenders to adopt the valuations carried out for the purposes of these financial statements as at 31 December 2011, the weighted average loan-to-value ratio in respect of the property as security under the total debt arrangements would have been 83.3% after adjusting for cash held in bank accounts that have been restricted by lenders (see note 16).

In the event that a breach of covenant occurs or a loan matures and no satisfactory waiver, refinancing or renegotiation of terms is achieved, in general a lender can enforce its security against the relevant sub-group (although in one instance, such action could trigger a cross-default acceleration of debt repayment in another sub-group – see above), with a consequent loss of the assets in return for the extinguishment of the debt within that sub-group only. Whilst this would not affect the ability of the Group to continue as a going concern, it could have a significant potential impact on the classification and valuation of the relevant property assets included in the Consolidated Statement of Financial Position as at 31 December 2011 and hence on the reported results of the Group for the year then ended. The impact on the net assets of the Group of the enforcement of security on individual sub-groups by lenders would depend on the respective carrying values of the assets and the debt in the sub-groups concerned. Although the Directors consider the prospect unlikely, it is uncertain whether any of the lenders will choose to enforce their security in future and, therefore, no adjustments have been made in the financial statements to reflect the possible impact of such action.

In assessing the implications of potential covenant breaches, the Directors have also considered:

- the various cure rights that are available in relation to any breach. The principal cure rights are a potential repayment of part of the loan or the use of cash trapped within each ring fenced sub-group of companies providing the security to that bank facility to amortise the loan balance; and

- that the lenders to each sub-group have the ability to waive any breaches of covenant in relation to their sub-group where the lenders consider it to be in their best interests. In addition, they each retain sufficient interest cover, i.e. the ratio of net rental income to interest payable. Interest cover (or, where relevant, debt service cover) as reported to the banks in the last quarter of 2011 is between 128% and 236% against breach covenants ranging from 120% to 125%.

The Company continues to work diligently alongside lenders to procure loan extensions and renegotiate terms of existing loan facilities; however, the outcome of these efforts is uncertain.

(b) Basis of consolidation
The consolidated financial statements comprise the financial statements of Treveria plc and its subsidiaries as at 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets and liabilities are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Statement of Comprehensive Income and within equity in the Consolidated Statement of Financial Position, separately from parent shareholders' equity.

(c) Changes in accounting policy and disclosure
The accounting policies adopted are consistent with those of the previous year, except that the Group has adopted the following new and amended IFRS as of 1 January 2011:

IAS 1 Presentation of Financial Statements

The amendment is effective for financial periods on or after 1 January 2011. Early application is permitted.

The amendment clarifies that disaggregation of changes in each component of equity arising from transactions recognized in other comprehensive income also is required to be presented, but is permitted to be presented either in the statement of changes in equity or in the notes.

The adoption of this amendment did not have any impact on the financial position or the performance of the Group.

IAS 24 Related Party Disclosures

This amendment is effective for financial periods on or after 1 January 2011.

The amendment is concerning the definition of a "related party". The definition was made symmetrical which means if one entity is identified as a related party in other entity´s financial statements, then the other entity also will be a related party in the first entity´s financial statements. This removed inconsistencies in the definition. Another result of the new definition is that two entities are no longer related if one of them is under significant influence of a person and the other is under significant influence of that person´s close family or managed by that person in their capacity as key management personal. Another amendment removed references to "significant voting power" and clarified that any reference to associates and joint ventures includes the subsidiaries of those associates and joint ventures.

The adoption of this amendment did not have any impact on the financial position or the performance of the group.

IFRIC 14/ IAS 19

This amendment is effective for financial periods on or after 1 January 2011.

The amendment determinates the availability of a refund or a reduction in future contributions in accordance with the terms and conditions of the plan and any statutory requirements in the jurisdiction of the plan. An economic benefit is available if the entity can realize it at some point during the life of the plan or when the plan liabilities are settled. Available to an entity is a refund in case the entity has an unconditional right to a refund.

The adoption of this amendment did not have any impact on the financial position or the performance of the Group.

(d) Acquisitions
Acquisitions of corporate interests in property are accounted for on consolidation as if the Group had acquired the underlying property asset directly. Accordingly no goodwill arises on such acquisitions as any difference between the fair values of the assets acquired and the acquisition consideration are allocated to the investment property asset, which is subject to subsequent revaluation under IAS 40, to its market value.

(e) Foreign currency translation
The consolidated financial statements are presented in euro, which is the Company's functional and presentation currency and is the functional currency for the majority of subsidiaries within the Group.

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the Statement of Comprehensive Income.

The assets and liabilities of foreign operations are translated into euro at the rate of exchange ruling at the reporting date and their Statements of Comprehensive Income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Statement of Comprehensive Income.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. In particular:

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

Fixed or determinable rental increases are recognised on a straight-line basis over the term of the lease or over the period until the next market review date.

Contingent rents, such as turnover rent and market rent adjustments, are recognised as income in the financial period in which they are earned.

Lease incentives granted are recognised in the Statement of Comprehensive Income as an integral part of rental income.

Interest income

Interest income is recognised as interest accrues, using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Service charges

In relation to amounts receivable in respect of service charges, such income is not treated as revenue, rather it is set off against the costs to which such income relates.

(g) Disposals

Investment property disposals are recognised in the financial statements on the date of completion. Profits or losses arising on disposal of investment properties are calculated by reference to the carrying value of the asset at the beginning of the year, adjusted for subsequent capital expenditure.

(h) Leases

Group as lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Group as lessee

The Group's investment properties held under a lease are accounted for as finance leases and are recognised as an asset and an obligation to pay future minimum lease payments. The investment property asset is included in the Statement of Financial Position at fair value, gross of the recognised finance lease liability. Lease payments, where material, are allocated between the liability and finance charges so as to achieve a constant financing rate.

(i) Income tax

Current income tax

Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

A 0% rate of corporate income tax applies to the Company and certain of its subsidiaries which are resident in the Isle of Man.

Certain subsidiaries may be subject to foreign taxes in respect of sources of income arising in those foreign countries.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are disclosed net of deferred tax liabilities and are only recognised to the extent that:
    - (i) it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised; and

(ii) there are deferred tax liabilities within a property-owning subsidiary in which the deferred tax asset may be offset against the deferred tax liability in the same company.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the related asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the Statement of financial position.

(j) Investment properties
Investment properties are properties owned or leased under finance leases by the Group which are held either for long-term rental income or for capital appreciation or both.

Investment properties are initially recognised at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Surpluses or deficits arising from changes in the fair values of investment properties are included in the Statement of Comprehensive Income in the period in which they arise. Investment property held under a finance lease is stated gross of the recognised finance lease liability.

(k) Fixed assets
Fixed assets are stated at cost less depreciation and any additional provision for impairment which may be required.

Depreciation is provided on the fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

(l) Investments in subsidiaries
Investments in subsidiaries are stated at cost less any provision for impairment in value.

Investments in subsidiaries are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

If the recoverable amount is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. The impairment loss is recognised in the Statement of comprehensive income.

(m) Investment property held for disposal
Investment property is transferred to non-current assets held for disposal when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate disposal in its present condition subject only to terms that are usual and customary for disposals of such property and its disposal must be highly probable.

For a sale to be highly probable:

- the Board of Directors must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- the property must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the disposal should be expected to qualify for recognition as a completed sale within one year from the date of classification.

On re-classification, investment property that is measured at fair value continues to be so measured. Therefore properties held for disposal are valued according to the relevant sale and purchase contracts.

(n) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. An allowance for impairment is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(o) Amounts due from subsidiaries
Amounts due to the Company from subsidiaries are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. An allowance for impairment is made when there is objective evidence that the Company will not be able to recover the amounts in full.

(p) Cash and short-term deposits
Cash and short-term deposits comprise cash at bank and on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(q) Bank borrowings
Interest-bearing bank loans are initially recorded at fair value, net of direct issue costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(r) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

(s) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as interest rate swaps and caps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group does not apply hedge accounting to its interest rate swaps. Any change in the fair value of such derivatives is recognised immediately in the Statement of Comprehensive Income as a finance cost or finance revenue as appropriate.

(t) Equity-settled share-based payments

The Company established the Treveria Employee Benefit Trust (the "Trust") for the benefit of certain employees. Ordinary shares are issued and allotted to the Trust at par and shown in Equity in Own shares held. At the time any such shares are transferred to the employees:

- the fair value of these awards, being the market price of the shares on the day of commitment, is credited to retained earnings;
- Own shares held is reduced by the par value of these shares; and
- the fair value of these awards is expensed in administrative expenses in the Consolidated Statement of Comprehensive Income.

(u) Standards issued but not yet effective

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the date of these financial statements. The Directors have set out below only those which may have a material impact on the financial statements in future periods.

IFRS 7 Amendments to Financial Instruments

This amendment clarifies the disclosure of the amount that represents an entity´s maximum exposure to credit risk. It is required only if the carrying amount of a financial asset does not reflect such exposure already. Further amendments contain the requirement to disclose the financial effect of collateral held as security and other credit enhancements in respect of a financial instrument. This disclosure is in addition to the existing requirement to describe the existence and nature of such collateral. The amendment clarifies that the disclosure in respect of collateral taken possession off by the entity is required only in respect of such collateral held at the end of the reporting period.

This amendment is effective for annual periods beginning on or after 1 July 2011. The Directors do not expect a material impact on the financial position or the performance of the Group.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015, previously 1 January 2013. The deferral of the effective date has been driven by delays in completing the hedging and impairment phases of the IAS 39 replacement project.
The Directors will quantify the effect on the Group in conjunction with other phases, when issued, to present a comprehensive picture.

IAS 1 Presentation of items of Other Comprehensive Income

Pursuant to these amendments it is required that an entity presents separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. Consequently an entity that presents items of other comprehensive income before related tax effects would also have to allocate the aggregated tax amount between these sections. However, the amendments do not change the existing option to present profit or loss and other comprehensive income in two statements.
The effective date is 1 July 2012 and the amendments may be early applied. The Directors do not expect a material impact on the financial position or the performance of the Group.

IAS 27 Separate Financial Statements

In the context of the introduction of IFRS 10 the rules with regard to the control model as well as the requirements concerning consolidation are relocated from IAS 27 to IFRS 10. As a result IAS 27 will only relate to the accounting of subsidiaries, joint ventures and associated companies in the separate financial statements of a company.
This amendment is effective for annual periods beginning on or after 1 January 2013. The Directors do not expect a material impact on the financial position or the performance of the Group.

IAS 12 Deferred Tax on Investment Property

The amendments to IAS 12 clarify the measurement of deferred tax assets and liabilities in respect of investment property using the fair value model in accordance with IAS 40 Investment Property. Under the amendments, the measurement of deferred tax assets and liabilities is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the

investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset´s economic benefits over the life of the asset.
The amendment is effective for annual periods beginning on or after 1 January 2012. The Directors do not expect a material impact on the financial position or the performance of the Group.

IAS 28 Investments in Associates and Joint Ventures
On transition to IFRS 11 all joint arrangements will need to be re-assessed. Under the key changes from IAS 28 the equity method will apply to all joint ventures. Thus, the proportionate consolidation method ceases to be applicable. IAS 28 is effective for annual periods beginning on or after 1 January 2013. The Directors do not expect a material impact on the financial position or the performance of the Group.

IAS 32 Offsetting Financial Assets and Financial Liabilities
In addition to the new requirements pursuant to IFRS 7 the IASB has published amendments which clarify the offsetting criteria in IAS 32 to address inconsistencies in their application. The amendments become effective on 1 January 2014. The Directors do not expect a material impact on the financial position or the performance of the Group.

IFRS 10 Consolidated Financial Statements
This standard introduces a new approach to determining which investees should be consolidated and therefore defines a new term of “control”.
An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
Thus, the scope of consolidation may change due to these amendments. IFRS 10 is effective for annual periods beginning on or after 1 January 2013. The Directors do not expect a material impact on the financial position or the performance of the Group.

IFRS 11 Joint Arrangements
Pursuant to the key requirements of IFRS 11 joint arrangements are divided into two types, i.e. joint operations and joint ventures. Each type has its own accounting model. The key to determining the type of arrangement, and therefore the subsequent accounting, is the rights and obligations of the parties to the arrangement. IFRS 11 is effective for annual periods beginning on or after 1 January 2013. The Directors do not expect a material impact on the financial position or the performance of the Group.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 contains new and expanded disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. This new standard is effective for annual periods beginning on or after 1 January 2013. The Directors do not expect a material impact on the financial position or the performance of the Group.

IFRS 13 Fair Value Measurement
The standard replaces existing guidance on fair value measurement in different IFRS with a single definition of fair value, a framework for measuring fair values and disclosures about fair value measurements. IFRS 13 is mandatory effective for annual periods beginning on or after 1 January 2013. The Directors do not expect a material impact on the financial position or the performance of the Group.

3. Significant accounting judgements, estimates and assumptions

Judgements

In the process of applying the Group's accounting policies, which are described in note 2, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases.

Provisions

A provision is only recognised when:

- an entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Contingent liability

A contingent liability is recorded by way of note to the consolidated financial statements when there is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Valuation of investment properties

The fair value of the Group's investment properties of €1,334,003,000 as at 31 December 2011 was determined by the Directors. The fair value of the Group's investment properties of €1,386,382,000 as at 31 December 2010 was determined by independent valuers. Each of the valuations is based upon assumptions including future rental income, anticipated maintenance costs and the appropriate capitalisation rate. Reference is also made to market evidence of transaction prices for similar properties.

Fair value of derivatives and other financial instruments

The Group's interest rate swaps and caps are shown in these financial statements (note 22) at fair value as a liability of €10,777,000 (2010: €25,231,000) based on valuations prepared by the relevant banks. Such valuations are based on market prices, estimated future cash flows and forward rates as appropriate.

4. Segmental reporting

The Group's portfolio consists predominantly of retail investment properties in Germany. Discrete financial information is provided to the Board of Directors, which is the Chief Operating Decision Maker, on a silo-by-silo basis.

2011	Silo C €'000	Silo D €'000	Silo E €'000	Silo F/K €'000	Silo G €'000	Silo J €'000	Other €'000	Total €'000
Statement of comprehensive income								
Gross rental income	—	18,606	30,083	39,054	5,846	1,549	—	95,138
Direct costs	—	(3,162)	(4,745)	(7,326)	(3,078)	(2,006)	—	(20,317)
Net rental income	—	15,444	25,338	31,728	2,768	(457)	—	74,821
Profit/(loss) from disposal of investment properties	—	—	282	(5)	105	180	—	562
(Deficit)/surplus on revaluation of investment properties	—	(8,350)	(19,350)	(17,741)	7,504	190	—	(37,747)
Other income	—	—	—	—	—	—	5	5
Administrative expenses	—	(241)	(893)	(677)	(356)	(206)	(9,408)	(11,781)
Intercompany advisory fees	—	(1,057)	(2,037)	(2,161)	(294)	(36)	5,585	—
Operating (loss)/profit	—	5,796	3,340	11,144	9,727	(329)	(3,818)	25,860
Net external finance (expense)/income	—	(9,338)	(16,049)	(27,089)	(2,769)	—	423	(54,822)
Intercompany finance (expense)/income	—	(4,544)	(6,374)	(12,175)	(1,764)	(598)	25,455	—
Change in fair value of derivatives	—	—	—	12,986	1,294	—	—	14,280
(Loss)/profit after net finance expenses	—	(8,086)	(19,083)	(15,134)	6,488	(927)	22,060	(14,682)
Effect of intercompany eliminations	—	5,601	8,411	14,336	2,058	634	(31,040)	—
(Loss)/profit after intercompany eliminations and before tax	—	(2,485)	(10,672)	(798)	8,546	(293)	(8,980)	(14,682)
Funds from operations*	—	4,519	7,480	1,663	(1,391)	(1,487)	(5,099)	5,685
Statement of financial position								
Investment properties at valuation	—	254,873	479,590	515,977	78,630	4,430	504	1,334,004
Other assets	—	10,097	16,615	15,266	16,642	11,987	39,305	109,912
Total assets	—	264,970	496,205	531,243	95,272	16,417	39,809	1,443,916
Interest-bearing loans and borrowings	—	(210,442)	(416,726)	(422,521)	(40,081)	—	—	(1,089,770)
Other liabilities	—	(84,530)	(124,327)	(240,940)	(52,251)	(18,705)	437,499	(83,254)
Total liabilities	—	(294,972)	(541,053)	(663,461)	(92,332)	(18,705)	437,499	(1,173,024)
Net equity/(deficit) as shown by silo and Group	—	(30,002)	(44,848)	(132,218)	2,940	(2,288)	477,308	270,892
Effect of intercompany eliminations	—	77,933	112,175	216,699	31,616	6,275	(444,698)	—
Net equity attributable to the ordinary equity holders of the parent company as shown by silo and Group	—	47,931	67,327	84,481	34,556	3,987	32,610	270,892

* Funds from operations is calculated by taking the (loss)/profit for the year and adjusting it for profit/(loss) from disposal of investment properties net of related tax, revaluation (deficit)/surplus, change in fair value of derivative financial instruments and deferred tax.

2010	Silo C €'000	Silo D €'000	Silo E €'000	Silo F/K €'000	Silo G €'000	Silo J €'000	Other €'000	Total €'000
Statement of comprehensive income								
Gross rental income	23,772	18,378	32,642	40,095	7,227	2,210	—	124,324
Direct costs	(7,213)	(3,457)	(4,772)	(7,975)	(4,289)	(2,177)	—	(29,883)
Net rental income	16,559	14,921	27,870	32,120	2,938	33	—	94,441
Profit/(loss) from disposal of investment properties	—	—	1,620	(24)	(110)	—	—	1,486
Surplus/(deficit) on revaluation of investment properties	(4,713)	3,258	34,103	36,252	3,066	1,563	—	73,529
RETT provision no longer required (net of related expenses)	—	—	—	—	—	—	37,417	37,417
Administrative expenses	(760)	(763)	(207)	(959)	(287)	(141)	(9,297)	(12,414)
Intercompany advisory fees	(1,294)	(992)	(1,928)	(1,994)	(305)	(51)	6,564	—
Operating profit	9,792	16,424	61,458	65,395	5,302	1,404	34,684	194,459
Net external finance (expense)/income	(16,025)	(11,216)	(20,306)	(26,509)	(2,985)	(9)	505	(76,545)
Intercompany finance (expense)/income	(7,809)	(3,915)	(6,150)	(11,192)	(1,590)	(745)	31,401	—
Change in fair value of derivatives	—	—	—	1,932	13	—	—	1,945
Gain on derecognition of subsidiaries	—	—	—	—	—	—	23,140	23,140
Profit/(loss) after net finance expenses	(14,042)	1,293	35,002	29,626	740	650	89,730	142,999
Effect of intercompany eliminations	9,103	4,907	8,078	13,186	1,895	796	(37,965)	—
Profit/(loss) after intercompany eliminations and before tax	(4,939)	6,200	43,080	42,812	2,635	1,446	51,765	142,999
Funds from operations *	(2,050)	1,827	5,300	2,537	(647)	(263)	(1,830)	4,874
Statement of financial position								
Investment properties at valuation	—	260,985	505,280	532,155	74,755	13,207	—	1,386,382
Other assets	—	10,884	12,299	16,449	17,594	13,528	56,788	127,542
Total assets	—	271,869	517,579	548,604	92,349	26,735	56,788	1,513,924
Interest-bearing loans and borrowings	—	(217,974)	(427,419)	(431,150)	(42,842)	—	—	(1,119,385)
Other liabilities	—	(77,227)	(120,288)	(238,163)	(51,814)	(27,140)	404,301	(110,331)
Total liabilities	—	(295,201)	(547,707)	(669,313)	(94,656)	(27,140)	404,301	(1,229,716)
Net equity/(deficit) as shown by silo and Group	—	(23,332)	(30,128)	(120,709)	(2,307)	(405)	461,089	284,208
Effect of intercompany eliminations	—	69,812	104,837	197,657	27,911	14,258	(414,475)	—
Net equity attributable to the ordinary equity holders of the parent company as shown by silo and Group	—	46,480	74,709	76,948	25,604	13,853	46,614	284,208

5. Revenue and profit from disposal of investment properties

	Group	
	Year ended 31 December 2011 €000	Year ended 31 December 2010 €000
Gross disposal proceeds	**23,825**	11,045
Book value of properties disposed	**(23,250)**	(9,045)
Other disposal costs	**(13)**	(514)
	562	1,486

6. Operating profit

The following items have been charged or (credited) in arriving at operating profit:

Direct costs

	Group		Company	
	Year ended 31 December 2011 €000	Year ended 31 December 2010 €000	**Year ended 31 December 2011 €000**	Year ended 31 December 2010 €000
Service charge expenditure	**17,688**	27,559	**—**	—
Service charge income	**(11,700)**	(18,406)	**—**	—
Irrecoverable service charges	**5,988**	9,153	**—**	—
Property management fee	**4,034**	6,795	**—**	—
Asset management fee	**—**	—	**279**	303
Ground rent/lease charges	**3,416**	4,123	**—**	—
Other property costs	**6,879**	9,812	**—**	—
	20,317	29,883	**279**	303

Administrative expenses

	Group		Company	
	Year ended 31 December 2011 €000	Year ended 31 December 2010 €000	**Year ended 31 December 2011 €000**	Year ended 31 December 2010 €000
Audit fee	**416**	429	**416**	404
Directors' fees	**313**	339	**313**	339
Directors' expenses	**7**	42	**7**	42
Net foreign exchange loss	**14**	129	**9**	13
Bank fees	**209**	295	**4**	4
Staff costs (see note 7)	**5,153**	4,320	—	—
Legal and professional fees and other administrative costs	**5,669**	6,860	**160**	1,278
	11,781	12,414	**909**	2,080

Included in administrative expenses is €975,000 (2010: €1,820,000) of fees receivable by the auditors and their associates in respect of other non-audit services. €41,000 (2010: €498,000) relates to services provided in prior periods.

Details of Directors' emoluments are set out in note 28 Related parties.

7. Staff costs and numbers

	Group	
	Year ended 31 December 2011 €000	Year ended 31 December 2010 €000
Wages and salaries	**4,585**	3,830
Social security costs	**485**	411
Other employment costs	**83**	79
	5,153	4,320

The average number of persons employed by the Group during the year was 57 (2010: 46).

8. Finance revenue and expense

	Group		Company	
	Year ended 31 December 2011 €000	Year ended 31 December 2010 €000	**Year ended 31 December 2011 €000**	Year ended 31 December 2010 €000
Bank interest receivable	**423**	986	**423**	578
Finance revenue	**423**	986	**423**	578
Bank loan interest payable	**(50,708)**	(74,530)	**—**	—
Amortisation of capitalised finance charges	**(4,237)**	(2,928)	**—**	—
Accelerated amortisation due to loan prepayments on the disposal of investment properties	**(250)**	—	**—**	—
Loss on termination of swap arrangements on disposal of investment properties	**—**	(73)	**—**	—
Other interest payable	**(50)**	—	**—**	—
Finance expense	**(55,245)**	(77,531)	**—**	—
	(54,822)	(76,545)	**423**	578
Change in fair value of derivative instruments (note 22)	**14,280**	1,945	**—**	—
Net finance revenue/(expense)	**(40,542)**	(74,600)	**423**	578

Interest is charged by the Company on loans to subsidiaries principally based on a rate that relates to the underlying performance of these subsidiaries and amounts to €40,120,000 (2010: €36,792,000). However, this interest has not been recognised in the Statement of comprehensive income as it is not considered to be collectable at the present time (see note 28).

9. Income tax

	Group	
	Year ended 31 December 2011 €000	Year ended 31 December 2010 €000
Current income tax		
Current income tax charge	**2,448**	373
Tax charge relating to disposal of investment properties	**89**	235
	2,537	608
Deferred tax		
Relating to origination and reversal of temporary differences	**(4,213)**	10,993
Income tax charge reported in the Statement of comprehensive income	**(1,676)**	11,601

As the Company does not receive income from land/property situated on the Isle of Man and is not in receipt of income from an Isle of Man banking business, it is subject to tax at the standard Isle of Man rate of 0%. The current income tax charge of €2,537,000 (2010: €608,000) represents tax charges on profits arising in Germany, that is subject to corporate income tax of 15.825% (2010: 15.825%). The effective income tax rate for the year differs from the standard rate of corporation tax in Germany; the differences are explained below:

	Year ended 31 December 2011 €000	Year ended 31 December 2010 €000
Profit/(loss) before tax	**(14,682)**	142,999
Other comprehensive income	**(50)**	69
Total comprehensive income for the year	**(14,732)**	143,068
Total comprehensive income before tax multiplied by rate of corporation tax in Germany of 15.825% (2010: 15.825%)	**(13,603)**	22,640
Effects of:		
German trade tax	**753**	—
Different rates of tax in other countries	**93**	(369)
Income exempt from tax	—	(20,144)
Expenses deductible for tax purposes	—	(5,058)
Expenses not deductible for tax purposes	**507**	—
Tax losses carried forward	—	3,539
Deferred tax liability recognized	—	10,993
Changes in value adjustments for deferred taxes	**11,960**	—
Losses not deductible for tax purposes	**303**	—
Taxes relating to different accounting periods	**(1,689)**	—
Total income tax (credit) / charge in the statement of comprehensive income (as above)	**(1,676)**	11,601

Deferred tax liability

	2011 €000	2010 €000
As at 1 January	**18,084**	7,174
Released in respect of property disposals	**(1,758)**	—
Effect of derecognition of subsidiaries	—	(83)
Revaluation of investment properties to fair value	**(2,446)**	10,993
Balance as at 31 December	**13,880**	18,084

The Group has tax losses of €130 million (2010: €90 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have been recognised in respect of €26million of these losses as they occur within certain subsidiaries where they may be used to offset the potential tax payable in the event the investment properties were to be disposed of at the values they are carried in the Consolidated Statement of Financial Position. The remainder of the deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that have been loss-making for some time.

10. Earnings per share

The calculation of the basic, diluted and adjusted earnings per share is based on the following data:

	2011 €000	2010 €000
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
(Loss)/profit for the year attributable to the equity holders of the parent company	**(13,006)**	131,273
Profit from disposal of investment properties, revaluation surplus/deficit, RETT, change in fair value of derivative financial		

instruments and gain on derecognition of subsidiaries, net of related tax	**18,780**	(126,216)
Adjusted earnings	**5,774**	5,057
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**605,310,384**	606,726,891
Weighted average effect of dilutive share options*	—	862,500
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**605,310,384**	607,589,391
Basic (loss)/earnings per share	**(2.14)c**	21.64c
Diluted (loss)/earnings per share	**(2.14)c**	21.61c
Adjusted earnings per share	**0.95c**	0.83c

* The share options in issue have not been included in the calculation of the diluted earnings per share for the year ended 31 December 2011 as they are antidilutive and would decrease the loss per share.

The Directors have chosen to disclose adjusted earnings per share in order to provide a better indication of the Group's underlying business performance; accordingly it excludes the effect of profit from disposal of investment properties, revaluation surplus/deficit, RETT, change in fair value of derivative financial instruments and gain on derecognition of subsidiaries, net of related tax.

11. Net assets per share

	2011 €000	2010 €000
Net assets		
Net assets for the purpose of assets per share (assets attributable to the equity holders of the parent company)	**270,892**	284,208
Deferred tax arising on revaluation surpluses	**13,880**	18,084
Derivative financial instruments	**10,777**	25,231
Adjusted net assets attributable to equity holders of the parent company	**295,549**	327,523
Number of shares		
Number of ordinary shares for the purpose of net assets per share	**605,008,809**	607,068,809
Net assets per share	**44.77c**	46.82c
Adjusted net assets per share	**48.85c**	53.95c

The effect of share options has no material impact on the net assets per share of the Group.

The Directors have chosen to disclose adjusted net assets per share in order to provide a better indication of the Group's underlying net asset value; accordingly it excludes the fair value of derivative financial instruments and deferred taxation on revaluation surpluses, as the Directors do not consider that these items will crystallise as actual liabilities of the Group in the foreseeable future.

12. Investment properties

A reconciliation of the valuation carried out to the carrying values shown in the Statement of Financial Position is as follows:

	2011 €000	2010 €000
Investment properties at market value	**1,334,004**	1,386,382
Adjustment in respect of minimum payments under head leases separately included as a liability at present value in the Statement of Financial Position (see note 20)	**30,611**	32,099
Adjustment in respect of rent free periods	**(1,059)**	(631)
	1,363,556	1,417,850
Less reclassified property held for disposal (see note 14)	**(38,865)**	(5,780)
	1,324,691	1,412,070

All properties were valued as at 31 December 2011 by the Board of Directors and as at 31 December 2010 by DTZ Debenham Tie Leung Limited, Chartered Surveyors, acting in the capacity of external valuers.

All properties were valued individually on the basis of market value as defined in the RICS Valuation Standards. The market value of the properties was primarily derived using comparable recent market transactions on arm's length terms. The aggregate portfolio value equates to a multiplier of 13.39 (2010:13.92).

As a result of the level of judgement used in arriving at the market valuations, the amounts which may ultimately be realised in respect of any given property may differ from the valuations shown in the Statement of Financial Position.

All valuations were carried out in accordance with the RICS Valuation Standards.

The movement on the valuation of the investment properties at market value is as follows:

	2011 €000	2010 €000
Total investment properties at market value per as at 1 January	**1,386,382**	1,839,829
Additions and subsequent expenditure	**8,619**	2,449
Disposals	**(23,250)**	(9,045)
Derecognition of Silo C	**—**	(520,380)
(Deficit)/surplus on revaluation of investment properties	**(37,747)**	73,529
Total investment properties at market value as at 31 December	**1,334,004**	1,386,382

13. Investments in subsidiaries

The Company's investments in subsidiaries are as follows:

	2011 €000	2010 €000
Balance as at 1 January and 31 December	**250**	250

The investments in the subsidiaries in the Company financial statements relate to Treveria Holdings Limited and Treveria Asset Management Limited.

14. Investment property held for disposal

As at December 31, 2011 the Group held eight properties (2010: two) that were notarised for sale to third parties. The assessed fair value of these properties as of December 31, 2011 was € 38,865,000.

As set out in Note 32 Events after the reporting date, two of the eight properties were disposed of by the end of February 2012, realising net €5,890,000 after taking into account attributable expenses.

15. Trade and other receivables

	Group		Company	
	2011 €000	2010 €000	**2011 €000**	2010 €000
Trade receivables	**6,144**	7,065	**24**	20
Other receivables	**5,040**	6,574	**—**	—
	11,184	13,639	**24**	20

As at 31 December 2011, trade receivables at nominal value of €9,148,000 (2010: €7,240,000) were impaired and fully provided for.

Movements in the provision for impairment of receivables were as follows:

Total individually impaired	**2011 €000**	2010 €000
As at 1 January	**7,240**	14,388
Charge for the year	**2,960**	5,499
Effect of derecognition of subsidiaries	**—**	(11,444)
Utilised	**(1,052)**	(1,203)
As at 31 December	**9,148**	7,240

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total €000	<30 days €000	30–60 days €000	60–90 days €000	>90 days €000
2011					
Gross trade receivables	**15,292**	**2,605**	**253**	**46**	**12,388**
Provision for impairment	**(9,148)**	**—**	**—**	**—**	**(9,148)**
Net of provision	**6,144**	**2,605**	**253**	**46**	**3,240**
2010					
Gross trade receivables	14,305	4,658	978	552	8,117
Provision for impairment	(7,240)	—	(72)	—	(7,168)
Net of provision	7,065	4,658	906	552	949

Included in the Group's trade receivables are amounts of €3,539,000 (2010: €2,407,000) which are past due as at year end and for which the Group has not made a provision as the amounts are still considered recoverable because there has not been a significant change in the credit quality.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the policy of the Group that all potential tenants, who wish to trade on credit terms, are subject to credit verification procedures. Outstanding tenants' receivables are monitored on an ongoing basis.

16. Cash and short-term deposits

	Group		Company	
	2011 €000	2010 €000	**2011 €000**	2010 €000
Cash at banks and in hand	**65,943**	79,393	**33,323**	49,154
	65,943	79,393	**33,323**	49,154

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and two months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and short-term deposits is €65,943,000 (2010: €79,393,000).

As at 31 December 2011, €13,830,000 (2010: €23,596,000) is held in blocked accounts. This is where rents received, in the ordinary course of business, are deposited at banks pending the quarterly interest payment dates and, subject to the financial covenant tests, any net surplus is returned to the Group.

Within this balance at 31 December 2011, €13,468,000 (2010: €15,494,000) is cash that has become cash trapped within property companies. This is where certain quarterly financial covenant tests, set out in the Group's bank loan agreements, have not been met. This does not represent an event of default under these agreements. This cash remains under the control of the banks to be used for the payment of interest and amounts due under these loan agreements, and cannot be used for the Group's purposes until the financial covenant tests are satisfied.

17. Trade and other payables

	Group		Company	
	2011 €000	2010 €000	**2011 €000**	2010 €000
Trade payables	**6,198**	6,087	**31**	2
Accrued operating expenses	**4,295**	8,094	**565**	1,128
Accrued interest	**8,116**	11,173	**—**	—
Other payables	**1,545**	1,543	**—**	—
	20,154	26,897	**596**	1,130

Terms and conditions of the above financial liabilities:

- trade payables are non-interest bearing and it is the Group's policy to pay within the stated terms which vary from 14–60 days; and
- other payables are non-interest bearing and as above are paid within stated terms.

18. Provisions

	Group		Company	
	2011 €000	2010 €000	**2011 €000**	2010 €000
Real Estate Transfer Tax (RETT)	**1,000**	1,000	**—**	—

As at 31 December 2009, a provision for German RETT of €40,200,000 was made as a prior year adjustment. This was in respect of the acquisition of shares in Treveria Properties S.à r.l. by Treveria Holdings S.à r.l. The Group's legal advisers have confirmed that, in the event the RETT was deemed payable, the likelihood of the authorities having any actual recourse to the assets of Treveria plc was remote. The Group continues to challenge the assessment of the RETT on various legal grounds and has initiated relief procedures with the relevant German tax authorities. The outcome of such legal action and relief procedures is typically hard to predict.

In the year ended 31 December 2010, the Group reassessed the probability that Treveria Holdings Limited might be subject to the RETT liability. Based on legal advice received it was no longer more likely than not that Treveria Holdings Limited will be required to settle the RETT obligation. A balance of €1,000,000 was retained within this provision to settle amounts which may become payable in relation to the RETT relief procedures.

The Group has reassessed the situation as at 31 December 2011 and has determined that the existing provision of €1,000,000 should remain due to RETT relief procedures which are not yet finalized.

The Group has determined that a reasonable estimate of the possible liability for RETT to be €39,900,000. However, it is not probable that an outflow of resources embodying economic benefits will be required to settle this liability but, due to the uncertainties relating to the outcome of the challenge to the assessments, the relief procedures and possible future legislation, this amount is shown as a contingent liability (31 December 2010: €32,000,000) - see note 30.

19. Interest-bearing loans and borrowings

	Effective interest rate %	Maturity	Group 2011 €000	Group 2010 €000
Current				
Deutsche Bank and Citigroup loan – second facility	4.79	20 July 2011	**—**	218,334
Deutsche Bank and Citigroup loan – second facility	Floating	20 July 2012	**211,221**	—
ABN Amro loan	4.76	15 July 2011	**—**	385,204
ABN Amro loan	Floating – capped	15 July 2012	**418,142**	42,800
Eurohypo loan	Floating – swapped	25 July 2012	**391,507**	391,507
Eurohypo loan	Floating – capped	25 July 2012	**32,317**	41,797
JPMorgan loan	Floating – swapped	19 November 2012	**40,467**	—
Capitalised finance charges on all loans			**(3,884)**	(3,521)
			1,089,770	1,076,121
Non-current				
JPMorgan loan	Floating – swapped	19 November 2012	**—**	43,651
Capitalised finance charges			**—**	(387)
			—	43,264
Total			**1,089,770**	1,119,385
The borrowings are repayable as follows:				
On demand or within one year			**1,089,770**	1,076,121
In the second year			**—**	43,264
Total			**1,089,770**	1,119,385

During the year the borrowing costs of €0 (2010: €0) were capitalized.

The Group has pledged investment properties to secure related interest-bearing debt facilities granted to the Group for the purchase of such investment properties.

Deutsche Bank AG and Citigroup Global Markets Limited (Silo D)
During the year amounts of €7,113,000 (2010: €3,493,000) were repaid arising from amortisations due under the loan agreement, resulting in a balance at the end of the year of €211,221,000 (2010: €218,334,000). Until the original maturity date of 20 July 2011, the effective interest rate on this loan was 4.79% per annum payable quarterly in arrears. With effect from 21 July 2011, interest on this loan is floating at a rate based on Euribor and is payable quarterly in arrears. The loan amortises by 1.5% per annum with a final repayment due on 20 July 2012. The facility has been in cash trap (note 16) since July 2009. The loan is secured over the assets and the undertakings of companies within the relevant sub-group.

ABN Amro N.V. (Silo E)
During the year amounts of €9,862,000 (2010: €7,729,000) were repaid arising from proceeds of disposal of investment property and other prepayments due under the loan agreement, resulting in a balance at the end of the year of €418,142,000 (2010: €428,004,000). Until the original maturity date of 15 July 2011, interest on 90% of the loan was fixed at a weighted average interest rate of 4.76% per annum, with interest on the remaining 10% floating at a rate based on Euribor, but capped at 5.35% per annum by means of an interest rate cap. Interest was payable quarterly in arrears. With effect from 16 July 2011, interest on this loan is floating at a rate based on Euribor and is payable quarterly in arrears.

The loan amortises by amounts up to 1.6% per annum with a final repayment due on 15 July 2012. The loan is secured over the assets and the undertakings of companies within the relevant sub-group.

Eurohypo AG (Silo F/K)
During the year amounts of €9,480,000 (2010: €8,551,000) were repaid arising from amortisations and other prepayments due under the loan agreement, resulting in a balance at the end of the year of €423,824,000 (2010: €433,304,000). Interest on approximately 92% of the loan is fixed at a weighted average interest rate of 6.05% per annum by means of interest rate swaps, with interest on the remaining approximately 8% floating at a rate based on Euribor, but capped at 6.25% per annum by means of an interest rate cap. Interest is payable quarterly in arrears. The loan amortises by increasing amounts up to 1.75% per annum with a final repayment due on 25 July 2012. The facility has been in cash trap (note 16) since October 2008. The loan is secured over the assets and the undertakings of companies within the relevant sub-group.

JPMorgan plc (Silo G)
During the year amounts of €3,184,000 (2010: €3,321,000) were repaid arising from proceeds of disposal of investment property, resulting in a balance at the end of the year of €40,467,000 (2010: €43,651,000). The interest rate on this loan is fixed at a weighted average interest rate of 5.46% per annum by means of an interest rate swap and is payable quarterly in arrears. The loan is not amortising and is repayable on 19 November 2012. The loan is secured over the assets and the undertakings of companies within the relevant sub-group.

20. Finance lease obligations
The Group leases certain of its investment properties under finance leases (see note 12).

	2011		2010	
	Minimum lease payments €000	**Present value of minimum lease payments €000**	Minimum lease payments €000	Present value of minimum lease payments €000
Within one year	**3,356**	**3,166**	3,372	3,181
In the second to fifth years inclusive	**12,640**	**10,968**	12,997	11,283
After more than five years	**30,899**	**16,477**	33,217	17,635
Total minimum lease payments	**46,895**	**30,611**	49,586	32,099
Less amounts representing finance charges	**(16,284)**	**—**	(17,487)	—
Present value of minimum lease payments	**30,611**	**30,611**	32,099	32,099
Current liabilities	**—**	**3,166**	—	3,181
Non-current liabilities	**—**	**27,445**	—	28,918
Present value of minimum lease payments	**—**	**30,611**	—	32,099

21. Financial risk management objectives and policies
The Group's principal financial liabilities comprise bank loans, finance leases and trade payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swaps. The purpose is to manage the interest rate risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and interest rate risk. The risk management policies employed by the Group to manage these risks are discussed below:

Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. In the event of a default by an occupational tenant, the Group will suffer a rental shortfall and may incur additional costs, including legal expenses in maintaining, insuring and re-letting the property until it is re-let. The asset

manager monitors the tenants in order to anticipate, and minimise the impact of, defaults by occupational tenants, as well as ensuring that the Group has a diversified tenant base.

The maximum credit risk exposure relating to financial assets is represented by the carrying values as at the reporting date. There are no significant concentrations of credit risk within the Group.

The realisability of the amounts due from subsidiaries in the Company is based on the performance of the underlying subsidiaries.

Liquidity risk
Liquidity risk is the risk an entity will encounter in meeting its obligations associated with financial liabilities. This may arise when the realisation of assets and the maturity of liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities. Cash and cash equivalents are placed with financial institutions on a short-term basis reflecting the Group's desire to maintain a high level of liquidity in order to enable timely completion of investment transactions.

A breach of loan-to-value ratio covenant would occur if the ratio of the loan amount drawn under a particular facility were to rise above a set percentage of the adopted valuation of the portfolio providing security under that loan facility. The ratio would be calculated on the basis of an externally prepared valuation by a suitably qualified valuer addressed to the finance parties providing that loan. The calculation is not based on the valuation prepared by the Group's valuers unless that valuation is also addressed to the finance parties following a separate instruction. At the date of the approval of the financial statements the valuations prepared for the financial statements as at 31 December 2011 have not been adopted by any lenders. Certain of the Group's lenders have requested or indicated that they may request new valuations, but these have not been completed. Consequently, as yet, no actual breaches of covenants have been called by the lenders arising from these valuation processes.

Should valuations be called for, nothing has come to the attention of the Directors to indicate that satisfactory arrangements will not be made with the lenders. Each facility also has to meet interest cover or debt service cover ratio tests. In the event that a breach occurs in the foreseeable future and no satisfactory waiver or renegotiation of terms is obtained, the risk remains that a lender could enforce its security against the assets of the relevant sub-group, with a consequent loss of net equity within that sub-group only and in one instance, it could trigger a cross default acceleration in another sub-group.

Cash can become trapped within property companies if certain financial tests set out in the Group's bank loan agreements are not met. Cash traps do not represent events of default under the finance documents but there is a risk that cash is retained within the property companies for the payment of interest and other amounts due under the finance documents and cannot be used for other Group purposes.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2011 and 2010 based on contractual undiscounted payments.

2011	Bank loans €000	Derivatives €000	Minimum lease payments due under finance leases €000	Trade and other payables €000	Total €000
Undiscounted amounts payable in:					
– under one year	**1,117,397**	**11,253**	**3,356**	**20,154**	**1,152,160**
– one to two years	**—**	**—**	**3,337**	**—**	**3,337**
– two to five years	**—**	**—**	**9,303**	**—**	**9,303**
– more than five years	**—**	**—**	**30,899**	**—**	**30,899**
	1,117,397	**11,253**	**46,895**	**20,154**	**1,195,699**

2010	Bank loans €000	Derivatives €000	Minimum lease payments due under finance leases €000	Trade and other payables €000	Total €000
Undiscounted amounts payable in:					
– under one year	1,121,758	24,981	3,372	26,897	1,177,008
– one to two years	45,770	1,375	3,372	—	50,517
– two to five years	—	—	9,625	—	9,625
– more than five years	—	—	33,217	—	33,217
	1,167,528	26,356	49,586	26,897	1,270,367

Currency risk
There is no significant foreign currency risk as the majority of the assets and liabilities of the Group are maintained in euro.

Interest rate risk
The Group's exposure to interest rate risk relates primarily to the Group's long-term floating rate debt obligations. The Group's policy is to mitigate interest rate risk either by taking out fixed rate loans or through the use of interest rate swaps, and to manage its remaining interest cost using interest rate caps designed to limit the interest payable on the loan.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

2011	Within 1 year €000	1–2 years €000	2–3 years €000	Total €000
Floating rate				
Deutsche Bank and Citigroup loan – second facility	**(211,221)**	**—**	**—**	**(211,221)**
ABN Amro loan	**(418,142)**	**—**	**—**	**(418,142)**
Cash and short-term deposits	**65,943**	**—**	**—**	**65,943**
Derivative financial instruments	**10,777**	**—**	**—**	**10,777**
Eurohypo loan – swapped	**(391,507)**	**—**	**—**	**(391,507)**
Eurohypo loan – capped	**(32,317)**	**—**	**—**	**(32,317)**
JPMorgan loan – swapped	**(40,467)**	**—**	**—**	**(40,467)**

2010	Within 1 year €000	1–2 years €000	2–3 years €000	Total €000
Fixed rate				
Deutsche Bank and Citigroup loan – second facility	(218,334)	—	—	(218,334)
ABN Amro loan	(385,204)	—	—	(385,204)
Floating rate				
Cash and short-term deposits	79,393	—	—	79,393
Derivative financial instruments	(23,856)	(1,375)	—	(25,231)
ABN Amro loan – capped	(42,800)	—	—	(42,800)
Eurohypo loan – swapped	(391,507)	—	—	(391,507)
Eurohypo loan – capped	(41,797)	—	—	(41,797)
JPMorgan loan – swapped	—	(43,651)	—	(43,651)

The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Interest rate risk table
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings and derivative instruments).

The sensitivity analysis excludes all non-derivative fixed rate financial instruments carried at amortised cost but includes all non-derivative floating rate financial instruments and derivative financial instruments.

	Increase/ decrease in basis points	**Effect on profit before tax and net assets €000**
2011		
Euribor	**+100**	**2,228**
Euribor	**–100**	**(2,245)**
2010		
Euribor	+100	6,944
Euribor	–100	(7,008)

Capital management
The Group monitors its capital structure through a combination of a rigorous investment appraisal and disposal process, management of finance costs, monitoring risks, controlling solvency and reviewing key financial ratios. The key financial measures include cash flow projections, the monitoring of interest cover and loan-to-value covenants and ensuring contracted commitments are adequately funded. The current capital structure of the Group consists of a mix of equity and debt. Equity comprises issued capital, reserves and retained earnings as disclosed in the Statement of changes in equity and notes 23 and 24. Debt primarily consists of current debt as disclosed in note 19. As at 31 December 2011, the weighted average loan-to-value ratio, calculated from the financial statements, was 84% (2010: 80.9%) and overall interest cover was 148 (2010: 127).

The Group is not subject to any externally imposed capital requirements.

22. Financial instruments

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's and the Company's financial instruments that are carried in the financial statements.

	Group 2011		**Company 2011**	
	Carrying amount €000	**Fair value €000**	**Carrying amount €000**	**Fair value €000**
Financial assets				
Cash and short-term deposits	**65,943**	**65,943**	**33,323**	**33,323**
Trade and other receivables	**11,184**	**11,184**	**24**	**24**
Amounts due from subsidiaries	**—**	**—**	**170,301**	**170,301**
Financial liabilities				
Trade and other payables	**20,154**	**20,154**	**596**	**596**
Interest-bearing loans and borrowings:				
– floating rate loans capped	**450,459**	**450,459**	**—**	**—**
– floating rate loans swapped into fixed rates	**431,974**	**431,974**	**—**	**—**
– fixed rate loans	**—**	**—**	**—**	**—**
Derivative financial instruments	**10,777**	**10,777**	**—**	**—**
Finance leases	**30,611**	**30,611**	**—**	**—**

	Group 2010		Company 2010	
	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000
Financial assets				
Cash and short-term deposits	79,393	79,393	49,154	49,154
Trade and other receivables	13,639	13,639	20	20
Amounts due from subsidiaries	—	—	235,914	235,914
Financial liabilities				
Trade and other payables	26,897	26,897	1,130	1,130
Interest-bearing loans and borrowings:				
– floating rate loans capped	84,597	84,597	—	—
– floating rate loans swapped into fixed rates	435,158	435,158	—	—
– fixed rate loans	603,538	616,101	—	—
Derivative financial instruments	25,231	25,231	—	—
Finance leases	32,099	32,099	—	—

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates.

The fair value of derivative financial instruments has been calculated by the relevant banks based on market prices, estimated future cash flows and forward rates as appropriate.

Derivative financial instruments

	2011 €000	2010 €000
As at 1 January	**25,231**	27,386
Disposals	**(174)**	(210)
Change in fair value of derivative financial instruments	**(14,280)**	(1,945)
	10,777	25,231
Current liabilities	**10,777**	23,856
Non-current liabilities	**—**	1,375
	10,777	25,231

Fair value hierarchy
The following table shows an analysis of the financial instruments recognised in the Statement of financial position at fair value by the level of the fair value hierarchy as explained below:

2011	Level 1 €000	Level 2 €000	Level 3 €000	Total fair value €000
Derivatives	**—**	**10,777**	**—**	**10,777**
2010				
Derivatives	—	25,231	—	25,231

Explanation of the fair value hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measured date;
- Level 2 – use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data; and
- Level 3 – use of a model with inputs that are not based on observable market data.

23. Issued capital

Authorised	Number of shares	Share capital €
Ordinary shares of €0.01 each		
As at 31 December 2011 and 2010	1,500,000,000	15,000,000

Issued and fully paid	Number of shares	Share capital €
Ordinary shares of €0.01 each		
As at 31 December 2009	603,468,809	6,034,688
Issue of shares (see note 25)	3,600,000	36,000
As at 31 December 2010	607,068,809	6,070,688
Purchase of own shares	(2,060,000)	(20,600)
As at 31 December 2011	**605,008,809**	**6,050,088**

Holders of the ordinary shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting.

Purchase of own shares
During the year the Company bought back 2,060,000 ordinary shares with a total nominal value of €20,600, at a weighted average price of €0.15 per share. These shares were then cancelled and the nominal value transferred to the capital redemption reserve (see note 24).

24. Other reserves
Capital redemption reserve
The capital redemption reserve reflects the nominal value of shares purchased by the Company for cancellation and is €1,109,000 (2010: €1,088,000).

Retained earnings and other distributable reserve
The other distributable reserve was created for the payment of dividends and for the buyback of shares. The deficit on retained earnings has been deducted from this reserve. The resulting balance is €196,182,000 (2010: €277,057,000).

25. Equity-settled share-based payments
During the year ended 31 December 2010, the Company established the Treveria Employee Benefit Trust (the "Trust") for the benefit of certain executives. During that period 3,600,000 ordinary shares were issued and allotted to the Trust at par and shown in Equity in Own shares held. Those shares were transferred to these executives evenly over periods of 12 and 24 months respectively, at which time:

- the fair value of these awards, being the market price of the shares on the day of commitment, is credited to retained earnings;

- Own shares held is reduced by the par value of these shares; and
- the fair value of these awards is expensed in administrative expenses in the consolidated Statement of Comprehensive Income.

During the year ended 31 December 2011, no further shares were allotted to the Trust.

An administrative expense of €49,500 (2010: €289,000), as a result of the current period transactions has been recognised in the Statement of Comprehensive Income.

26. Dividends

	Group		Company	
	2011 €000	2010 €000	**2011 €000**	2010 €000
Ordinary dividends paid				
Special dividend of 4.00c per share declared on 11 January 2010 and paid on 19 February 2010	—	24,234	—	24,234
	—	24,234	—	24,234

27. Group entities

Names of subsidiaries	Country of incorporation	Field of activity	Ownership interest	Type of share held
Held by the Company				
Treveria Holdings Limited	Isle of Man	Intermediate holding company	100%	Ordinary
Treveria Asset Management Limited	England and Wales	Asset management	100%	Ordinary
Held by Treveria Holdings Limited				
Treveria Properties Limited	Isle of Man	Intermediate holding company	100%	Ordinary
Held by Treveria Asset Management Limited				
Treveria Asset Management GmbH	Germany	Asset management	100%	Ordinary
Held by Treveria Properties Limited				
Treveria D S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria E S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria F S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria G S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria H S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria J S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria K S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria L S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Treveria M S.à r.l.	Luxembourg	Holding company	100%	Ordinary
Held by Treveria D S.à r.l.				
Treveria Vermögensverwaltungsgesellschaft Neunkirchen GmbH	Germany	Property investment	100%	Ordinary
Treveria Vermögensverwaltungsgesellschaft Solingen GmbH	Germany	Property investment	100%	Ordinary
Treveria Vermögensverwaltungsgesellschaft Worms GmbH	Germany	Property investment	100%	Ordinary
DD Immobilie Citytreff Ratingen GmbH	Germany	Property investment	100%	Ordinary
Treveria Vermögensverwaltungsgesellschaft Kempten GmbH	Germany	Property investment	100%	Ordinary
Treveria Vermögensverwaltungsgesellschaft Pforzheim GmbH	Germany	Property investment	100%	Ordinary
Treveria Vermögensverwaltungsgesellschaft Zehdenick GmbH	Germany	Property investment	100%	Ordinary
Treveria eins VV GmbH	Germany	Property investment	100%	Ordinary
Treveria zwei VV GmbH	Germany	Property investment	100%	Ordinary
Treveria drei VV GmbH	Germany	Property investment	100%	Ordinary
Treveria vier VV GmbH	Germany	Property investment	100%	Ordinary
Treveria fünf VV GmbH	Germany	Property investment	100%	Ordinary
Treveria sechs VV GmbH	Germany	Property investment	100%	Ordinary
Treveria sieben VV GmbH	Germany	Property investment	100%	Ordinary
Treveria acht VV GmbH	Germany	Property investment	100%	Ordinary
Treveria neun VV GmbH	Germany	Property investment	100%	Ordinary
Treveria zehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria elf VV GmbH	Germany	Property investment	100%	Ordinary
Treveria zwölf VV GmbH	Germany	Property investment	100%	Ordinary

Treveria dreizehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria vierzehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria fünfzehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria sechszehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria siebzehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria achtzehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria neunzehn VV GmbH	Germany	Property investment	100%	Ordinary
Treveria zwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria einundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria zweiundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria dreiundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria vierundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria fünfundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria sechsundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria siebenundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria achtundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria neunundzwanzig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria dreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria einunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria zweiunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria dreiunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria vierunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria fünfunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria sechsunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria siebenunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria achtunddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria neununddreißig VV GmbH	Germany	Property investment	100%	Ordinary
Treveria vierzig VV GmbH	Germany	Property investment	100%	Ordinary
DDT Erste VV GmbH	Germany	Property investment	100%	Ordinary
Held by Treveria E S.à r.l.				
DDT Zweite VV GmbH	Germany	Property investment	100%	Ordinary
DDT Dritte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Vierte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fünfte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Neunte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Zehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Elfte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Dreizehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Vierzehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sechsundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Siebenundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Neunundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Zweiunddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Dreiunddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Vierunddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fünfundreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Neunzehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Zwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sechste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sechszehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Siebzehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Achtzehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Zwölfte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Achte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Dreiundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fünfundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Vierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Neununddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Achtundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Einundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Zweiundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Dreiundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Vierundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fünfundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sechsundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Siebenundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Dreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Solingen B.V.	Netherlands	Property investment	100%	Ordinary
Held by Treveria F S.à r.l.				
DDT Fünfzehnte VV GmbH	Germany	Property investment	100%	Ordinary
DDT Düren B.V.	Netherlands	Property investment	100%	Ordinary
Marba Pump B.V.	Netherlands	Property investment	100%	Ordinary
DDT Fünfzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty one VV GmbH	Germany	Property investment	100%	Ordinary
DDT Vierundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary

DDT Siebente VV GmbH	Germany	Property investment	100%	Ordinary
DDT Garbsen B.V.	Netherlands	Property investment	100%	Ordinary
DDT Sechsunddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Siebenunddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Einunddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Zweiundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Achtunddreißigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Achtundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Neunundvierzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty two VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty three VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty four VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty five VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty six VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty seven VV GmbH	Germany	Property investment	100%	Ordinary
DDT Fifty nine VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty one VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty two VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty three VV GmbH	Germany	Property investment	100%	Ordinary
DDT Seventy VV GmbH	Germany	Property investment	100%	Ordinary
Treveria One S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Two S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Three S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Four S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Dawnay Day Treveria One B.V.	Netherlands	Property investment	100%	Ordinary
Dawnay Day Treveria Two B.V.	Netherlands	Property investment	100%	Ordinary
Dawnay Day Treveria Three B.V.	Netherlands	Property investment	100%	Ordinary
Dawnay Day Treveria Four B.V.	Netherlands	Property investment	100%	Ordinary
Treveria Sixteen S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Seventeen S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Eighteen S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Nineteen S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty One S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty Six S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty Seven S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty Nine S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty One S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty Four S.à r.l.	Luxembourg	Property investment	100%	Ordinary
DDT Seventy VV GmbH & Co. Frankenthal KG	Germany	Property investment	94.9%	Ordinary
DDT Seventy one VV GmbH	Germany	Property investment	99.7%	Ordinary
DDT Seventy three VV GmbH	Germany	Property investment	99.7%	Ordinary
DDT Seventy four VV GmbH	Germany	Property investment	99.7%	Ordinary
DDT Seventy five VV GmbH	Germany	Property investment	99.7%	Ordinary
HIDD Wilhelmshaven B.V.	Netherlands	Property investment	99.7%	Ordinary
HIDD Marl B.V.	Netherlands	Property investment	99.7%	Ordinary
Held by Treveria G S.à r.l.				
DDT Prime Verwaltungs GmbH	Germany	Property investment	100%	Ordinary
Treveria Six S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Seven S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Eight S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Nine S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Ten S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Eleven S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twelve S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirteen S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Fourteen S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Fifteen S.à r.l.	Luxembourg	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Brühl KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Passau KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Freising I KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Nordhorn KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Cloppenburg KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Hamburg Wandsbek KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Aschaffenburg KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Köln II KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Freising II KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Bochum KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co. Objekt Köln III KG	Germany	Property investment	100%	Ordinary
Held by Treveria H S.à r.l.				

DDT Einundzwanzigste VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty nine VV GmbH	Germany	Property investment	100%	Ordinary
Dawnay Day Treveria Ten B.V.	Netherlands	Property investment	100%	Ordinary
DDT Sixty nine VV GmbH & Co. CBC KG	Germany	Property investment	94.9%	Ordinary
Held by Treveria J S.à r.l.				
Treveria Twenty Two S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty Three S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty Four S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty Five S.à r.l.	Luxembourg	Property investment	100%	Ordinary
DDT Prime GmbH & Co Objekt Darmstadt KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co Objekt Frechen KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co Objekt Gelsenkirchen KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co Objekt Pirmasens KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co Objekt Remscheid KG	Germany	Property investment	100%	Ordinary
DDT Prime GmbH & Co Objekt Siegen KG	Germany	Property investment	100%	Ordinary
Held by Treveria K S.à r.l.				
Dawnay Day Treveria Five B.V.	Netherlands	Property investment	100%	Ordinary
Dawnay Day Treveria Seven B.V.	Netherlands	Property investment	100%	Ordinary
Dawnay Day Treveria Eight B.V.	Netherlands	Property investment	100%	Ordinary
Dawnay Day Treveria Nine B.V.	Netherlands	Property investment	100%	Ordinary
Treveria Thirty Two S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty Three S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty Eight S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Held by Treveria L S.à r.l.				
Treveria Five S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Twenty Eight S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Forty One S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Forty Three S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Forty Four S.à r.l.	Luxembourg	Property investment	100%	Ordinary
DDT Sixty four VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty five VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty six VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty seven VV GmbH	Germany	Property investment	100%	Ordinary
DDT Sixty eight VV GmbH	Germany	Property investment	100%	Ordinary
Treveria Thirty Five S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty Six S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty Seven S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Thirty Nine S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Forty S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Forty Two S.à r.l.	Luxembourg	Property investment	100%	Ordinary
Treveria Forty Five S.à r.l.	Luxembourg	Property investment	100%	Ordinary

28. Related parties

Terms and conditions of transactions with related parties

All of the related party transactions disclosed were carried out on an arm's length basis.

Terms and conditions of transactions with subsidiaries

The amounts due from subsidiaries to the Company of €700,817,000 (2010: €646,124,000), before provisions for impairment, are interest-bearing and repayable not before 31 December 2015. During the year the Company recorded an increase in the impairment charge amounting to €12,321,000 (2010: write back €136,033,000) resulting in a year end impairment balance of €351,132,000 (2010: €338,811,000) in amounts due from subsidiaries as a result of the change in net asset value of the underlying subsidiaries following the revaluation of the Group's properties. The interest charge on the loans is based on a rate that relates to the underlying performance of the subsidiaries and amounts to €40,120,000 (2010: €36,792,000). However, this interest has not been recognised in the Statement of comprehensive income as it is not considered to be collectable at the present time. The net amounts after impairment and the adjustment for interest shown in the Company Statement of financial position for amounts due from subsidiaries is €237,854,000 (2010: €235,914,000).

The following transactions took place between the Group and related parties during the financial year:

Key management personnel compensation
Fees paid to persons or entities considered to be key management personnel of the Group include:

	2011 €000	2010 €000
Directors' fees	**313**	339
Fees payable to key management of subsidiary companies	**1,124**	1,270
Expense in relation to the Treveria Employee Benefit Trust (see note 25)	**50**	289

The Company has entered into a letter of appointment with each of its Directors. Each letter provides for the Director to act as a Non Executive Director of the Company and each appointment is terminable by six months' notice in writing by either party. Each Director has given a confidentiality undertaking that is without limit in time.

Christopher Lovell and David Parnell were each entitled to an annual fee of €50,000. Yossi Raucher and Rolf Elgeti were entitled to an annual fee of €130,000.

Nicholas Cournoyer has agreed not to receive any remuneration

Eitan Milgram and Jeffrey Strong are each entitled to an annual fee of €50,000 but have waived their fees from 1 October 2011.

During the year, the Directors received the following emoluments in the form of fees:

	Year ended 31 December 2011 €	Year ended 31 December 2010 €
Rolf Elgeti	**130,000**	50,000
Nicholas Cournoyer	**—**	—
Christopher Lovell	**50,000**	50,000
Eitan Milgram	**34,409**	—
David Parnell*	**50,000**	57,500
Jeffrey Strong	**37,500**	50,000
Michael Neubürger	**—**	1,507
Yossi Raucher	**10,833**	130,000
Total	**312,742**	339,007

* The remuneration of David Parnell in 2010 is inclusive of VAT.

Directors' share options
Share options have been granted to a related company of Ian Henderson, a previous Chairman, with the following expiry date and exercise prices:

Year issued	Exercise date	Expiry date	Exercise price	Number
2005	2008	2015	€1.00	450,000

29. Capital commitments
As at 31 December 2011 the Group had no notarised transactions (2010: none) for completion after the year end for the acquisition of investment properties.

The Company has given guarantees of payment of annual rents of €176,000 (2010: €176,000) payable by its subsidiary undertakings under head leases for varying periods not exceeding 21 years.

30. Contingent liabilities
As disclosed in more detail in note 18, Treveria Holdings Limited is subject to a contingent liability of up to €39,900,000 (2010: €32,000,000) for German RETT.

31. Operating lease arrangements

Group as lessor

All properties leased by the Group are under operating leases and the future minimum lease payments receivable under non-cancellable leases are as follows:

	2011 €000	2010 €000
Less than one year	**91,224**	92,274
Between one and five years	**235,898**	268,215
More than five years	**97,552**	121,063
	424,674	481,552

The Group leases out its investment properties under operating leases. Most operating leases are for terms of one to 15 years. Some properties have residential leases with unlimited terms.

32. Events after the reporting date

Disposal of investment properties

As at 31 December 2011, the Group held eight investment properties that were notarised for sale to third parties. The assessed fair value of these properties as at 31 December 2011 was €38,865,000. Two of the eight properties were disposed of by 29 May 2012, realising net €5,890,000 after taking into account attributable expenses. So far in 2012, a further five investment properties have been notarised for sale, which should generate proceeds of €25,440,000.

At the date of this report, the consolidated cash balances stood at €53,476,000 of which the Company cash balance was €31,113,000.

Financial Summary

Year ended 31 December	**2011** **€000**	2010 €000	2009 €000	2008 Restated €000	2007 €000
Assets employed					
Investment properties					
Opening balance	**1,417,850**	1,881,064	2,065,070	2,383,027	1,726,959
Additions, subsequent expenditure and adjustments	**6,703**	(7,318)	(4,642)	35,167	666,816
Disposals	**(23,250)**	(9,045)	(4,900)	(70,190)	—
Derecognition of Silo C	—	(520,380)	—	—	—
Revaluation (deficit)/surplus	**(37,747)**	73,529	(174,464)	(282,934)	(10,748)
Closing balance (including properties held for disposal)	**1,363,556**	1,417,850	1,881,064	2,065,070	2,383,027
Cash at bank	**65,943**	79,393	128,250	145,922	177,015
Other assets	**14,417**	16,681	25,280	25,235	30,674
	1,443,916	1,513,924	2,034,594	2,236,227	2,590,716
Financed by					
Share capital	**6,050**	6,071	6,035	6,035	6,288
Reserves	**264,842**	278,137	167,890	333,565	677,138
Equity shareholders' funds	**270,892**	284,208	173,925	339,600	683,426
Borrowings	**1,089,770**	1,119,385	1,690,630	1,725,056	1,775,043
Deferred tax	**13,880**	18,084	7,174	10,714	25,433
Other liabilities	**69,374**	92,247	160,104	157,294	100,381
Non-controlling interests	—	—	2,761	3,563	6,433
	1,443,916	1,513,924	2,034,594	2,236,227	2,590,716
Net asset value per share (cents)					
Basic	**44.77**	46.82	28.82	56.27	108.68
Adjusted	**48.85**	53.95	34.55	61.76	112.93
Gross debt to property valuation ratio (%)	**79.9**	80.9	92.3	86.2	76.7
Revenue	**95,138**	124,324	145,073	155,079	129,951
Net rental income	**74,821**	94,441	112,916	122,815	109,857
Costs and other income	**(11,776)**	(12,414)	(12,530)	(10,989)	870
Profit on disposal of investment properties	**562**	1,486	1,233	3,906	—
Revaluation (deficit)/surplus	**(37,747)**	73,529	(174,464)	(282,934)	(10,748)
German RETT	—	37,417	—	(40,200)	—
Operating profit/(loss)	**25,860**	194,459	(72,845)	(207,402)	99,979
Change in fair value of derivative financial instruments	**14,280**	1,945	(5,033)	(20,831)	(1,314)
Net finance expenses	**(54,822)**	(76,545)	(87,175)	(95,608)	(65,088)
Gain on derecognition of subsidiaries	—	23,140	—	—	—
(Loss)/profit before tax	**(14,682)**	142,999	(165,053)	(323,841)	33,577
Total comprehensive (loss)/income for the financial year	**(13,056)**	131,467	(166,477)	(312,147)	34,299
Earnings per share (cents)					
Basic	**(2.14)**	21.64	(27.45)	(50.99)	5.06
Diluted*	**(2.14)**	21.61	(27.45)	(50.99)	5.05
Adjusted	**0.95**	0.83	1.40	3.40	5.30
Dividends per share (cents) (all amounts represent the interim dividend paid and final proposed dividend)	**—**	4.00	—	—	5.10

* The share options in issue have not been included in the calculation of the diluted earnings per share for the years ended 31 December 2011, 2009 and 2008 as they are antidilutive and would decrease the loss per share.

Company Information

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Graham Smith
David Malpica

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Philip Scales

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