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# BLACKROCK INTERNATIONAL LAND PLC

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Annual Report

08



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# 04

## SHAREHOLDER INFORMATION

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### Market capitalisation

The ordinary share price of Blackrock International Land plc ("Blackrock" or the "company") at close of business on 31 December 2008 was €0.053, giving a market capitalisation at that date of €30.9 million. The market capitalisation of the company at close of business on 4 March 2009 was €23.3 million.

### Investor relations

Investors requiring further information on the group are invited to contact:

Philip Halpenny  
Blackrock International Land plc  
29 North Anne Street  
Dublin 7  
Ireland

T: (01) 887 2788  
F: (01) 873 7948  
E: [phalpenny@bilplc.com](mailto:phalpenny@bilplc.com)

### Registrar

Administrative queries about holdings of Blackrock International Land plc shares can be directed to the company's registrar:

Computershare Services (Ireland) Limited  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

T: ROI (01) 247 5694  
UK (0870) 707 1524  
F: ROI (01) 216 3151  
E: [web.queries@computershare.ie](mailto:web.queries@computershare.ie)

### Website

Further information on Blackrock is available at [www.bilplc.com](http://www.bilplc.com)

### Annual General Meeting

The Annual General Meeting ("AGM") of the company will take place at D4 Ballsbridge Court Hotel, Ballsbridge, Dublin 4, Ireland, on Thursday 4 June 2009 at 10.30 am. The notice of the meeting is set out on pages 82 to 88 and a personalised proxy form will be included in the mailing to shareholders of this annual report.

### Amalgamation of accounts

Shareholders receiving multiple copies of company mailings as a result of a number of accounts being maintained in their name should write to the company's registrar, at the above address, to request that their accounts be amalgamated.

### Electronic communications

Shareholders voted at the most recent AGM to change the company's Articles of Association in order to allow Blackrock to distribute all shareholder communication electronically except where documents are specifically requested in written form.

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## CHAIRMAN'S STATEMENT

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Dear Shareholder,

Due to the current economic downturn and its negative impact on the property sector, very little investment was undertaken by the group in 2008 and the primary focus was on asset management and cost reduction.

The decline in economic activity arising from the difficulties in the financial markets, resulting in decreased investor and occupational demand and deteriorating investment yields, adversely affected property values, with a resultant impact on the group's gross assets.

Within the portfolio, good progress was made on improving the permitted uses on certain development properties. For example, the group's landholding outside Edinburgh was approved for residential development. We are also fortunate to benefit from a strong tenant base and are pleased to report that no defaults have arisen among lessees.

When the supply of credit to the property sector increases and market confidence re-emerges, this should be reflected in a recovery in demand with a resultant increase in values. Governments around the world are grappling with these issues and some good progress is being made. This is helping to reduce interest rates and to increase the supply of money and credit. These actions should boost economic activity and property values in due course. In the meantime, your Board remains focused on seeking to maximise rental income, reduce costs and add value to its properties wherever possible. By pursuing this approach, the group aims to protect shareholder value and to place the business in the best possible position to take full advantage when market conditions improve.

**Carl McCann**  
Chairman

4 March 2009

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OPERATING AND  
FINANCIAL REVIEW**Operating review**

The economies in which Blackrock operates have experienced considerable difficulties throughout the last eighteen months which have adversely affected most asset categories, particularly property. Blackrock has been significantly impacted by the downturn and 2008 was a year of containment. Very little investment activity was undertaken and the primary focus was on asset management and cost reduction.

**Asset values**

The reduced level of activity in the economy caused by constraints on the availability of credit, the decreased demand for space and the consequent decline of the investment market have resulted in reduced valuations across the group's portfolio. Total property assets at 31 December 2008, including those accounted for through joint ventures and associate, amounted to €340.3 million (2007: €439.7 million), a decline of 23%.

The movements in values are analysed as follows:

	Ireland	UK	Continental Europe	Total
	€'m	€'m	€'m	€'m
Value at 1 January 2008	210.4	137.7	91.6	439.7
Investments during year	2.9	6.4	-	9.3
Disposals during year	(0.4)	(0.3)	-	(0.7)
Fair value adjustments	(35.5)	(37.0)	(4.6)	(77.1)
Translation of sterling denominated properties*	-	(30.9)	-	(30.9)
<b>Value at 31 December 2008</b>	<b>177.4</b>	<b>75.9</b>	<b>87.0</b>	<b>340.3</b>

*\*Impact of foreign exchange on movement in net assets*

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# OPERATING AND FINANCIAL REVIEW (CONTINUED)

The reduction in value of the group's UK property assets arising from the translation impact of foreign exchange was €30.9m. This was partially offset by a net €25.2m gain on translation of sterling loans and cash and other movements. The net impact of foreign exchange on the group's net assets for the period was a decrease of €5.7m, analysed as follows:

	€'m
Reduction in value of investment properties	(25.4)
Reduction in value of investment in joint ventures & associate	(5.5)
Total property related movement	(30.9)
Net gain on translation of bank loans	25.0
Movement in other assets/liabilities and trading translation (net)	0.2
<b>Net impact on net assets</b>	<b>(5.7)</b>

The translation effect of foreign exchange on the value of the group's investment in joint ventures and associate, amounting to €5.5m, has been accounted for through the statement of recognised income and expense. The other translation effects have been dealt with through the income statement.

### Geographic and sectoral analysis of property assets

Excluding the impact of foreign exchange, the value of the group's gross property assets decreased by €77.1 million in 2008, a decline of 17.5%. In reviewing this movement, it is useful to consider the following geographic and sectoral analysis of Blackrock's portfolio (which includes investments in joint ventures and associate):

	Ireland	UK	Continental Europe	Total
	€'m	€'m	€'m	€'m
<b>Investment</b>				
Office	9.5	19.6	63.7	92.8
Industrial	122.0	23.5	23.3	168.8
	131.5	43.1	87.0	261.6
<b>Development</b>				
Office	-	-	-	-
Industrial	33.3	11.5	-	44.8
Retail	6.3	-	-	6.3
Residential	6.3	21.3	-	27.6
	45.9	32.8	-	78.7
<b>Total</b>	<b>177.4</b>	<b>75.9</b>	<b>87.0</b>	<b>340.3</b>

Overall, the group's portfolio comprises 77% investment properties and 23% development properties.

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# OPERATING AND FINANCIAL REVIEW (CONTINUED)

Within the **investment portfolio**, industrial buildings comprise 65% while office buildings make up 35% - the group has no investment exposure to retail or residential, which sectors have seen the most significant diminutions in value during the economic downturn. Investment in Ireland is 93% weighted to industrial property and 7% to offices. In the UK, it is 55% industrial and 45% offices. On the Continent, it is 73% offices and 27% industrial.

The **development portfolio**, comprising principally lands for redevelopment, breaks down 57% industrial, 8% retail and 35% residential, with the latter focused mainly in Scotland where house prices have held up better than in other residential markets. The group has no development assets in Continental Europe. A number of positive events during the year, in particular in Scotland, have helped to minimise the overall downward movement in the group's development assets during the period.

In general, individual properties are held in separate companies which should be beneficial in terms of net proceeds on disposal. All of the group's properties were subject to independent valuation at the year end by Lisneys in Ireland, by Lambert Smith Hampton, BTW Shiells and Brown & Lee in the UK and by Delta State and Jones Lang LaSalle on the Continent.

### Portfolio management

With reduced investment expenditure undertaken during the year, activity focused on work to secure beneficial re-designations and new or improved planning permissions in respect of several of the group's development properties. The most significant progress made in this regard was in relation to the lands at Broxburn to the west of Edinburgh where, since the year end, confirmation has been received of their adoption for mixed use development, primarily residential. Several rent reviews were completed satisfactorily during the year, at levels slightly above those anticipated. While vacancy rates in the group's established investment properties are minimal, a number of new lettings were concluded in the Dutch and Belgian portfolios. Given prevailing market conditions, progress on letting newly available space has been slower but consistent with expectations. The group benefits from a strong tenant base and no defaults have arisen among its lessees during the year.

### Rental yields

In Ireland, the group's investment property is predominantly in the industrial sector. Excluding properties held primarily for their development potential, the current net average rental yield, based on year-end valuations, is just above 7%. In the UK, the industrial investment portfolio is yielding over 9% and the office properties over 10%. The yields on the Dutch and Belgian portfolios are both of the order of 6%.

### Development

The group's principal investments in development companies are the hotel and residential site at Queen Margaret Drive in Glasgow and the former Fruit Market premises in Edinburgh (both at the planning stage) and the three London office buildings and Navan Retail Park (both under construction). Each of these is being undertaken by separate companies in joint ventures or in association with, and managed by, third parties having relevant specialist expertise and experience. While progressing satisfactorily in construction terms, their end values are being impacted by the changed market conditions and development plans and programmes are being revised as considered necessary. A prudent approach has been adopted to the valuation of these projects and, as a result, the equity in them has been subject to appropriate adjustment at the year end.

### Finance

In the main, the joint ventures and associate in which Blackrock has invested are special purpose companies that are financed by project-specific debt. Similarly, the Dutch and Belgian portfolios are funded on a stand-alone basis. The group's remaining property assets, comprising approximately €248 million in value, are financed by facilities subject to a loan-to-value covenant of 50%. The relevant ratio at the year end was 48.4%. Blackrock currently anticipates having sufficient resources to meet its ongoing requirements. Nonetheless, the board is cognisant of the potential for further declines in property values while the current period of uncertainty continues and, accordingly, it is discussing with its lenders a new three year facility to strengthen the group's financial position going forward.

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## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### International Financial Reporting Standards

The group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

### Net rental income

Gross rental income increased 14% to €17.9 million (2007: €15.7 million). Property outgoings were €4.1 million (2007: €2.7 million).

### Administrative expenses

Administrative expenses for the period declined by 9.3% to €5.0 million (2007: €5.5 million). These were comprised primarily of remuneration of executive and administrative personnel, establishment and information technology costs and professional fees. Further significant savings are being targeted for 2009.

### Net finance income/(expense)

Net finance income was €14.8 million (2007: expense €1.5 million), comprising gain on translation of sterling loans and financial assets amounting to €25.2 million (2007: €9.5 million) and interest received on cash deposits and loans to joint ventures of €1.4 million (2007: €0.8 million), offset by interest and charges incurred on bank borrowings amounting to €11.8 million (2007: €11.8 million).

### Taxation

The tax credit for the year of €4.1 million (2007: charge of €1.7 million) includes a €4.2 million gain (2007: loss of €0.9 million) arising from a reduction in the provision for deferred tax resulting from the lower property valuations. This has been accounted for in accordance with IAS12 and includes full provision for tax which might be payable in the event that the group disposes of a property for the amount stated in the balance sheet.

### Results per share

Basic and diluted result per share for the period was (€12.83) cent (2007: €1.93 cent).

### Dividend

Consistent with the stated medium-term policy of the company, no dividend has been declared for the period.

### Shareholders' funds

Shareholders' funds at 31 December 2008 amounted to €149.9m (2007: €230.3m), resulting in basic and diluted net asset values per share of €25.71 cent (2007: €39.48 cent), a decrease of 34.9% (2007: 4.2% increase) in the year.

### Net borrowings

The group's net borrowings at 31 December 2008 amounted to €173.9 million (2007: €190.6 million), giving a net debt to gross property assets ratio of 51.1% (2007: 43%).

### Conclusion

The year ended 31 December 2008 has been a very difficult period for the property sector. Until the supply of credit to the sector increases and market confidence re-emerges, it is difficult to anticipate a recovery in demand for property with a resultant increase in values. In the meantime, the board remains focused on the areas which it can control by seeking to maximise rental income, reduce costs and add value to its properties wherever possible. By pursuing this approach, the group aims to protect shareholder value and to place the business in the best possible position when market conditions improve.

4 March 2009

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## DIRECTORS AND SECRETARY

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**Carl McCann, BBS, MA, FCA, age 55, Chairman**, is also Chairman of Total Produce plc. He previously held the role of executive chairman of Fyffes where he was also involved in the company's property activities. He is a director of a number of other companies.

**Robert Knox, age 45, Managing Director**, graduated in estate management in the UK in 1983. He worked in general practice as an estate agent and valuer until he joined the Dee Corporation plc in 1987, where he was responsible for overseeing that company's investment portfolio and subsequently for managing a large disposal programme. He joined McCarthy plc in 1989 as Group estates manager, managing a mixed portfolio of high street retail and industrial property. He joined the Fyffes Group in 1992 and managed its property activities until joining Blackrock in May 2006.

**Philip Halpenny, BBS, FCA, age 56, Finance Director**, was a non-executive director of the company until his appointment as Finance Director on 1 September 2006. He joined Fyffes in 1991 as special projects manager from PricewaterhouseCoopers. He was managing director corporate affairs from 1996 until his appointment as Company Secretary in 1998. Throughout his career with Fyffes, he was closely involved in all aspects of its property activities.

**Tom Neasy, age 60, Executive Director**, became a director of the company in June 2007. He has had a lengthy career in the property business and gained a wealth of experience in project design and management, working with a number of companies, in Ireland and other countries. In 1989, he established his own consultancy business, Neasy Project Management Limited, which inter alia provided advisory and project management services to the Fyffes Group. He acts as project director for the company on its property developments in Ireland, the UK and Continental Europe.

**Andrew Kelliher, B.Comm, age 57, Non-Executive Director**, is a partner in Chartered Accountants, O'Connor, Kelliher & Treacy. He heads up the management consultancy division in the firm. He is also involved in the project management of commercial ventures in Ireland and the UK.

**Declan McCourt, MA, MBA, age 62, Non-Executive Director**, is chief executive of automobile distributor, OHM Group. He is a member of the Court of Bank of Ireland, a non-executive director of Fyffes, chairman of the Mater Hospital Foundation and a director of a number of other companies.

**Alan White, BSc, FRICS, IRRV, age 63, Non-Executive Director**, has been responsible for property asset management for a variety of businesses including Diageo Lloyds TSB and BT Group. He is a director of Lenborough Consultants, which provides advice on strategic property asset management to businesses and public bodies. Alan holds senior posts at the RICS, is a member of the Bank of England Property Forum and is a past adviser to several UK government ministries and public bodies.

**Niall Quigley, FCA, age 43, Company Secretary**, trained as a chartered accountant with Grant Thornton. He joined Fyffes in 1989, where he held a variety of senior financial positions based in the UK and in a number of Latin American countries. In May 2006, he joined Blackrock as Company Secretary and Financial Controller.

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# FINANCIAL STATEMENTS

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# 12 CORPORATE PROFILE

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**Directors**

C. McCann (Chairman)  
R. Knox (United Kingdom)  
P. Halpenny  
T. Neasy

A. Kelliher  
D. McCourt  
A. White (United Kingdom)

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**Secretary**

N. Quigley

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**Registered office**

1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

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**Solicitors**

**Arthur Cox**  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

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**Bankers**

**Allied Irish Banks plc**  
Bankcentre  
Ballsbridge  
Dublin 4  
Ireland

**Bank of Ireland**  
Colvill House  
Talbot Street  
Dublin 1  
Ireland

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**IEX Adviser  
Nominated Adviser  
and Broker**

**Davy**  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

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**Auditors**

**KPMG**  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

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**Registrar**

**Computershare Investor  
Services (Ireland) Limited**  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

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# 13

## DIRECTORS' REPORT

The directors present their annual report to the shareholders, together with the audited financial statements, for the year ended 31 December 2008.

### Principal activities and business review

Blackrock International Land plc ("Blackrock") is a publicly quoted company incorporated in Ireland. Blackrock is an international property business focused on identifying development opportunities and making use of its existing asset base.

A detailed business review is included in the operating and financial review on pages 6 to 9.

### Result for the year

Details of the result for the year ended 31 December 2008 are set out in the income statement on page 33.

### Dividend

The company aims to achieve capital growth for shareholders and it is not anticipated that the company will pay dividends in the medium term.

### Future developments

A review of future developments of the business is included in the operating and financial review on pages 6 to 9.

### Directors and secretary

In accordance with the Articles of Association of the company, A. Kelliher and A. White offer themselves for re-election at the AGM.

### Interests of directors and secretary

The directors and secretary who held office at 31 December 2008 had no interests, other than those shown below, in the shares of the company or group companies.

Directors	Nature of Interest	Ordinary shares held at 31 December 2008	Ordinary shares held at 31 December 2007
C. McCann	Ordinary shares in BIL plc	1,525,864	1,525,864
R. Knox	Ordinary shares in BIL plc	211,168	151,168
P. Halpenny	Ordinary shares in BIL plc	312,284	187,284
T. Neasy	Ordinary shares in BIL plc	271,000	271,000
A. Kelliher	Ordinary shares in BIL plc	80,000	30,000
D. McCourt	Ordinary shares in BIL plc	110,000	110,000
A. White	Ordinary shares in BIL plc	15,000	15,000
<b>Secretary</b>			
N. Quigley	Ordinary shares in BIL plc	320	320

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## DIRECTORS REPORT (CONTINUED)

### Substantial holdings

The directors have been notified of the following significant interests in the ordinary share capital of the company at 31 December 2008.

	Number of Ordinary Shares	Percentage
Fyffes plc	233,305,963	40.00%
Rosecastle Ltd	81,414,000	13.96%
Balkan Investment Company and related parties	37,238,334	6.38%

Rosecastle Limited is a wholly owned subsidiary of O'Flynn Construction Company.

Whorlton Limited, a related party of Balkan Investment Company, owns 3.4% of the issued share capital of the company, which holding is included in the Balkan holding above. The board has not been notified of any other holdings of 3% or more of the issued ordinary share capital of the company.

### Share capital

Details of shares issued are set out in note 14 to the financial statements.

### Directors' interests in contracts

None of the directors had a beneficial interest in any material contract to which the company or any subsidiaries was a party during the year, except for T. Neasy.

The company has a service contract with Neasy Project Management Limited, details of which are disclosed in the corporate governance statement. T. Neasy is a director of Neasy Project Management Limited.

One of the directors has an indirect interest in the group's investment in a joint venture company and this is noted in note 25 to the financial statements under the heading Related parties.

### Key performance indicators (KPI's)

The group considers the following measures as being important indicators of the underlying performance of the business:

- **Net asset value**  
The key long-term financial objective for the group is growth in its net asset value per share.
- **Net debt to gross property assets**  
A second important financial objective of the group is to establish and maintain an appropriate balance sheet structure that provides it with adequate funding to fulfil its medium to long term objectives while at the same time maintaining a prudent ratio of net debt to gross property assets.
- **Returns from investment and development properties**  
Another important financial objective is to optimise returns from the group's property portfolio. For investment properties, this is achieved by concentrated asset management to maximise rental yields. For development properties, it is accomplished through obtaining beneficial re-designations and planning permissions.

**Financial risk management**

The group's activities expose it to a variety of financial risks including interest rate, foreign currency, liquidity and credit risks. These financial risks are managed by the group under policies approved by the board, as described in note 22 to the financial statements.

**Principal risks and uncertainties**

Under Irish company law the group and company is required to give a description of the principal risks and uncertainties which it faces.

The principal risks and uncertainties that the group faces are:

- **Property values**

The performance of the group is determined principally by the values of its property assets, which, in turn, are dependent on a variety of factors applying in the markets in which Blackrock operates, including:

- local economic conditions, as affected by government policy, legislation, economic growth, interest rates and inflation, and
- supply of and demand for property, and their impact on rental levels.

The values of individual properties are determined by their specific usage and locations, the quality of their tenants and the rents paid by them and by their potential for alternative usage or redevelopment. The board mitigates these risks by the employment of an expert professional management team, by adopting appropriate strategic objectives to be pursued (including sectoral and geographic diversification) and by incentivising management through appropriate performance-based remuneration packages.

- **General financing**

The current global economic environment has resulted in constraints on the availability of credit. Such financial conditions may affect the group's ability to raise further finance on acceptable terms or to meet its future financial obligations, loan repayments and operating expenses when they fall due.

- **Expansion and related funding**

The group's ability to realise its business strategy is dependent on management's ability to source new profitable property opportunities, to exploit the development opportunities within its property portfolio and to fund these as required. The board has mitigated these risks by the appointment and expansion of a suitably qualified management team and by continuing to source appropriate financing arrangements to fund its plans.

- **Liquidity**

Property assets are relatively illiquid. Such illiquidity may affect the group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to economic conditions.

- **Currency**

The group presents its financial information in euro. A significant proportion of its property portfolio is located in the United Kingdom and, consequently, a significant part of its rental income and a significant proportion of its property assets are denominated in sterling. The board has mitigated this risk by financing a significant portion of these assets in sterling.

**Post balance sheet events**

The value of the group's property is significantly influenced by the volatility in the property market. This, in turn, is significantly influenced by the general economic environment, particularly conditions in the financial markets. The period since the balance sheet date has seen exceptional volatility in the financial markets, leading to reduced credit availability and a notable lack of transactions in the property investment market. These factors have increased the degree of uncertainty associated with valuations.

**Accounting records**

The directors believe that they have complied with the requirements of section 202 of the Companies Act, 1990, with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the company are maintained at 29 North Anne Street, Dublin 7, Ireland.

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# DIRECTORS REPORT (CONTINUED)

## Going concern

After making inquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. In particular, in making such enquiries, the board has had regard to its current financing arrangements and its planned activities for the next 18 months.

For this reason, they continue to adopt the going concern basis in preparing the financial statements. Nonetheless, the board is cognisant of the potential for further declines in property values while the current period of uncertainty continues and, accordingly, it is discussing with its lenders a new three year facility to strengthen the group's financial position going forward.

## Political donations

The group and company did not make any donations during the year disclosable in accordance with The Electoral Act, 1997.

## Auditors

In accordance with section 160 (2) of the Companies Act, 1963, the auditors, KPMG, Chartered Accountants, will continue in office.

## Subsidiaries and equity accounted investees

Information on the group's significant subsidiaries and equity accounted investees is set out in note 27 to the financial statements.

## Special business at the Annual General Meeting

Notice of the 2009 Annual General Meeting with details of the special business to be considered at the meeting is enclosed with this Annual Report. In addition to the usual business to be transacted at the AGM (as set out in resolutions 1 to 3 of the notice of the meeting), there are six items of special business proposed which are described further below.

The first four items of special business (i.e. Resolutions 4, 5, 6 and 7) all relate to the share capital of the company and concern matters which are now routine for most public companies. The remaining two items of special business relate to the implementation of the Shareholders Rights

Directive and proposed changes in the Memorandum and Articles of Association of the company to take account of this directive.

Under the first item of special business (Resolution 4), shareholders are being asked to renew, until the date of the Annual General Meeting to be held in 2010 or 4 September 2010 (whichever is the earlier), the authority of the directors to allot new shares. This authority will be limited to the allotment of up to an aggregate amount of €1,944,216.36 in nominal value of ordinary shares (being 33 % of the nominal value of the company's issued share capital as at the date of the notice convening the AGM).

Under the second item of special business (Resolution 5), shareholders are being asked to renew the authority to disapply the strict statutory pre-emption provisions in the event of a rights issue or in any other issue up to an aggregate amount of €583,264.90 in nominal value of ordinary shares, representing 10% of the nominal value of the company's issued ordinary share capital for the time being. If adopted, this authority will expire at the close of business on the date of the Annual General Meeting of the company in 2010 or on 4 September 2010 (whichever is the earlier).

Under the third item of special business (Resolution 6), shareholders are being asked to extend the authority granted at the last AGM to give the company, or any of its subsidiaries, the authority to purchase up to 10% of its own shares. If adopted, this authority will expire on the earlier of the close of business on the date of the Annual General Meeting of the company in 2010 or 4 September 2010 (whichever is the earlier). While the directors do not have any current intention to exercise this power, this authority is being sought as it is common practice for public companies. Furthermore, such purchases would be made only at price levels which the directors considered to be in the best interests of the shareholders generally, after taking into account the company's overall financial position. In addition, the authority being sought from shareholders will provide that the minimum price which may be paid for such shares shall not be less than the nominal value of the shares and the maximum price will be 105% of the then market price of such shares.

**Special business at the Annual General Meeting (continued)**

Under the fourth item of special business (Resolution 7), shareholders are being asked to authorise the company to reissue such shares purchased by it and not cancelled as treasury shares. If granted, the minimum and maximum prices at which treasury shares may be reissued shall be set at 95% and 120%, respectively, of the then market price of such shares. This authority will expire on the earlier of the close of business on 4 September 2010 or the date of the Annual General Meeting of the company in 2010.

In anticipation of some of the changes that will be introduced when the Shareholder Rights Directive is implemented into Irish law, your board is proposing two special resolutions under the fifth and sixth items of special business (i.e. Resolutions 8 and 9). If adopted, Resolution 8 will maintain the existing authority in the Articles of Association which permits the company to convene an extraordinary general meeting on 14 days notice in writing where the purpose of the meeting is to consider an ordinary resolution. If adopted, Resolution 9 will amend the company's Articles of Association so as to update the provisions regarding the appointment of proxies and corporate representatives. In addition to approving the procedures for the appointment of proxies electronically, these changes will

- (a) permit shareholders to appoint more than one proxy or corporate representative and, in doing so, to designate the shares which relate to such an appointment,
- (b) adopt the form of article recommended by CRESTCo for the issue of an Uncertificated Proxy Instruction through the CREST System and
- (c) require that all proxy instructions allow for the three way voting on substantive resolutions and require any proxy to vote as directed in the proxy instruction.

A copy of the proposed amended Articles of Association is available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the company's registered office up to and including 4 June 2009 and at The D4 Ballsbridge Court Hotel, Ballsbridge, Dublin 4 for a period of 15 minutes before the AGM scheduled for 4 June 2009 at 10.30 am.

A Form of Proxy for use at the AGM is being sent along with this Annual Report.

**On behalf of the board**

**Carl McCann**  
Chairman

**Philip Halpenny**  
Finance Director

4 March 2009

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## CORPORATE GOVERNANCE STATEMENT

The directors of Blackrock are committed to maintaining high standards of corporate governance. While adherence to the Combined Code on Corporate Governance is not required of IEX and AIM listed companies, Blackrock supports the principles and provisions of the Code and has undertaken to apply these insofar as appropriate and practical for a company of its size. The following statement describes how Blackrock is applying the Code in the governance of its business.

### **The board**

While day to day responsibility for the conduct of the group's operations is delegated to the executive management team within predefined authority limits, the board is ultimately responsible for the leadership and control of the company.

The board agrees a schedule of regular meetings to be held in each calendar year and also meets on other occasions as necessary. There is a schedule of matters specifically reserved for decision at board meetings, the principal of which include:

- approval of strategic plans for the group
- approval of annual statutory financial statements, annual budgets and interim accounts
- review of operational and financial performance
- approval of major property acquisitions and investments
- review of the group's internal controls and risk management processes
- appointments of senior members of the management team

The board has delegated authority to management for decisions taken in the normal course of business, subject to specified authority limits. The board is currently comprised of four executive directors and three non-executive directors. Biographical details of the directors are set out on page 10.

The board considers that between them, the directors bring the range of skills, knowledge, and experience necessary to lead the company.

### **Operation of the board**

The board meets regularly throughout the year. The directors receive bi-monthly management accounts and full board papers are sent to each member on a timely basis prior to each board meeting to enable them to discharge their duties. These papers include the minutes of meetings of the committees of the board.

An induction process is in place to familiarise new board members with the operations of the group and with the procedures of the board.

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## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

### Attendance at scheduled board and relevant committee meetings during the year ended 31 December 2008

	Board	Audit	Remuneration
C. McCann	5	N/A	N/A
R. Knox	4	N/A	N/A
P. Halpenny	5	N/A	N/A
T. Neasy	5	N/A	N/A
A. White	5	3	N/A
A. Kelliher	5	3	2
D. McCourt	5	N/A	2

### Terms of appointment

Non-executive directors have been invited to join the board for a three year period, subject to re-election by shareholders as provided for in the company's articles of association.

Insurance cover is in place to protect board members and officers against liability arising from legal actions taken against them in the course of their duties.

Effective governance is achieved by the separation of the roles of the executive chairman and the managing director, as this division of responsibilities at the head of the group ensures a balance of power and authority. The executive chairman has overall responsibility for ensuring that the group achieves a satisfactory return on investment for shareholders; he oversees the orderly operation of the board and ensures appropriate interaction between it, executive management and the company's shareholders. The managing director is responsible for developing and delivering the group's strategy and is accountable for its overall performance and day to day management.

The appointment and removal of the company secretary is a matter for the board. All directors have access to the advice and services of the company secretary.

### Independence of directors

All the directors bring independent judgement to bear in the course of performance of their duties. The board has determined that each of the non-executive directors is independent. In particular, the board reviewed the position of D. McCourt in the context of the guidance in the 2006 FRC Combined Code and determined that, despite his directorship of Fyffes, a significant shareholder, he executed his powers in an independent manner throughout the financial year. Like each of the other non-executive directors, he discharges his duties in a proper and consistently independent manner and constructively and appropriately challenges the executive directors and the board.

### Evaluation of the performance of the board, its committees and individual directors

As part of an annual process, the board undertakes an evaluation of its own performance, and that of its committees and of each individual director throughout the year. In assessing the performance of the board, the directors consider such matters as the appropriateness of its composition, its effectiveness in developing group strategy, its contribution to managing the group's business and operational risks, its response to developing issues and its communications with

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CORPORATE GOVERNANCE  
STATEMENT (CONTINUED)**Evaluation of the performance of the board,  
its committees and individual directors (continued)**

the group's stakeholders. In assessing the performance of the committees of the board, the directors consider the appropriateness of their composition and terms of reference, their effectiveness in fulfilling their roles and their interactions with the board. The assessment of the performance of individual directors includes consideration of the contribution to the effective functioning of the board, the appropriateness of their knowledge, skill and experience levels and their commitment to their roles. The executive chairman summarises the results of these evaluation processes and reports them to the board. In addition, the non-executive directors meet privately to evaluate the effectiveness of the executive chairman. The results of these processes have been satisfactory.

**Board committees**

The board has established two committees, an audit committee and a remuneration committee, to assist it in the execution of its duties.

**Audit committee**

The audit committee comprises of two non-executive directors, A. Kelliher (chairman) and A. White, both of whom are considered independent.

The purpose of the audit committee is to oversee the financial reporting processes and internal control systems of Blackrock. The committee held three meetings during the year which were attended by all members. The board is satisfied that at all stages during the year at least one member of the committee had recent and relevant financial experience.

In the course of its meetings, the audit committee reviewed the accounting policies adopted by the company, the annual and interim financial statements and any reports of the external auditors. The committee also evaluated the need for an internal audit function in the group and concluded that such was not necessary

at this stage of the group's development. The committee has reviewed the company's system of risk management and internal controls and determined that these operated effectively during the reporting year.

The audit committee also satisfied itself that employees can raise concerns about possible improprieties in matters of financial reporting or other matters in confidence.

It also reviewed the external auditor's independence and the effectiveness of its planning for audit.

The audit committee adopted appropriate policies regarding the provision of non-audit services by the external auditors. The auditors are permitted to provide non-audit services that are not in conflict with auditor independence where they are considered by the committee to be the most appropriate to provide the services in the best interests of the group. The engagement of the auditors to perform non-audit services is authorised by the committee or pre-approved in accordance with policies and procedures established by the committee.

The external auditors have full and unrestricted access to the audit committee.

**Remuneration committee**

The remuneration committee comprises two non-executive directors, D. McCourt (chairman) and A. Kelliher, both of whom are considered independent. The committee met twice during the year to determine the emoluments of executive directors and senior management, including basic salaries and the parameters for any possible bonus payments. The underlying objective is to ensure that individuals are rewarded appropriately relative to their responsibility, experience and value to the group. Remuneration policy reflects the need to ensure that the group can attract, retain and motivate executives to perform at the highest levels of expectation.

The executive directors' level of bonus earned in any one year depends on an assessment of individual performance and the overall performance and activities of the group.

**Nominations**

The board plans for its own succession and that of management. In view of the current size of the company, the board has not established a nominations committee. Directorships and senior management appointments are considered and recommended by the board.

**Internal controls**

The board has overall responsibility for the group's system of internal control and for monitoring its effectiveness. The system of internal control applied by the company is designed to allow reasonable but not absolute assurance against material misstatement or loss. The board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The board has reviewed the effectiveness of the group's systems of internal controls, covering all material controls, including financial, operational and compliance controls and risk management systems and the directors believe that the group has, throughout the reporting year and up to the date of approval of the financial statements, complied with the principles and provisions of the Combined Code on Corporate Governance on internal control.

On a regular basis, the board receives reports on the key risks facing the business and the steps taken to manage such risks. It further considers whether those risks are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity.

The audit committee regularly meets with and receives reports from the external auditors. The chairman of the audit committee reports to the board on all significant issues considered by the committee and the minutes of its meetings are circulated to all directors.

**Communications with shareholders**

Communications with shareholders are given high priority and there is regular dialogue between group executives and its principal shareholders. Financial results are communicated promptly to shareholders as well as major property acquisitions, in accordance with the requirements of the IEX and AIM listing rules.

The company's Annual General Meeting affords individual shareholders the opportunity to question the chairman and members of the board. Notice of the Annual General Meeting is sent to shareholders at least 20 working days before the meeting. At the meeting, after each resolution has been dealt with, details are given of the number of proxies lodged, together with details of votes cast for and against each resolution.

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CORPORATE GOVERNANCE  
STATEMENT (CONTINUED)

## Directors' remuneration

2008

	Basic salary and fees	Performance bonus	Retirement benefits	Other benefits	Other payments	Total
<b>Executive directors</b>						
C. McCann	-	-	-	-	366,720	366,720
R. Knox	315,587	-	25,528	-	66,071	407,186
P. Halpenny	292,000	-	197,950	12,200	-	502,150
T. Neasy	-	-	-	-	239,760	239,760
<b>Non-executive directors</b>						
A. White	40,000	-	-	2,974	-	42,974
A. Kelliher	40,000	-	-	-	-	40,000
D. McCourt	40,000	-	-	-	-	40,000
<b>Total</b>	<b>727,587</b>	<b>-</b>	<b>223,478</b>	<b>15,174</b>	<b>672,551</b>	<b>1,638,790</b>

2007

	Basic salary and fees	Performance Bonus	Retirement benefits	Other benefits	Other payments	Total
<b>Executive directors</b>						
C. McCann	-	-	-	-	373,600	373,600
R. Knox (From May '06)	242,840	292,084	30,162	-	-	565,086
P. Halpenny	265,000	135,000	108,000	10,666	-	518,666
T. Neasy	-	-	-	-	242,305	242,305
<b>Non-executive directors</b>						
A. White	35,000	-	-	351	-	35,351
A. Kelliher	35,000	-	-	-	-	35,000
D. McCourt	35,000	-	-	-	-	35,000
<b>Total</b>	<b>612,840</b>	<b>427,084</b>	<b>138,162</b>	<b>11,017</b>	<b>615,905</b>	<b>1,805,008</b>

**Directors' remuneration (continued)**

R. Knox is UK based and his remuneration is agreed and paid in sterling.

For 2008, the salary, bonus and retirement benefits elements of the remuneration arrangements of R. Knox and P. Halpenny were reviewed to achieve a more appropriate balance between the components of their compensation.

C. McCann was elected chairman of Blackrock on its incorporation in 2006. He was also chairman of Total Produce plc throughout 2007 and 2008. In accordance with the terms of the business transfer agreement between Fyffes and Blackrock, Total Produce recharges a portion of C. McCann's employment costs to Blackrock to reflect the allocation of his time between these two roles. During the reporting year, Blackrock was charged €366,720 (2007: €373,600) by Total Produce under this arrangement.

An amount of €66,071 was paid to R. Knox in 2008 in relation to a transaction that originated in 2007.

The company has a rolling consultancy services contract with Neasy Project Management Limited in respect of the provision of the services of Mr. Tom Neasy as a director. Consultancy fees incurred in 2008 under this arrangement amounted to €239,760 (2007: €242,305).

**Retirement benefits**

Retirement benefits are provided for certain executive directors. In the case of C. McCann, contributions are payable under the service agreement with Total Produce plc. In the case of R. Knox, contributions are payable to a defined contribution scheme. In the case of P. Halpenny, contributions are made to a defined benefit scheme operated by Fyffes plc to which Blackrock is adhered and to a defined contribution scheme. The increase in P. Halpenny's accrued pension under the defined benefit scheme during the period was €4,492 (2007: €4,126). The transfer value of the increase in his accrued pension was €76,510 (2007: €70,465). His total accrued pension as at 31 December 2008 was €68,509 (2007: €61,555).

**Service contracts and letters of appointment**

None of the directors had a beneficial interest in any material contract to which the company or any subsidiaries were a part during the current or preceding financial year, except for those disclosed below:

The company has a rolling annual consultancy service contract with Neasy Project Management Limited. Mr. Tom Neasy is a director of Neasy Project Management Limited. The contract is reviewed each year by the chairman and finance director. See note 25 of the financial statements for further detail.

Fees for non-executive directors are determined by the board on an annual basis.

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and consolidated and company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated and company financial statements for each financial year. Under that law and in accordance with IEX and AIM Rules, the directors have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRS) and have elected to prepare the company financial statements in accordance with EU IFRS's and as applied in accordance with the provisions of the Companies Acts 1963 to 2006.

The consolidated financial statements are required by law and by EU IFRS's to present fairly the financial position and performance of the group. The Companies Acts 1963 to 2006 provide in relation to such financial statements that references in the relevant part of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation. The company financial statements are required by law to give a true and fair view of the state of affairs of the company.

In preparing each of the consolidated and company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

Under applicable law and the requirements of the IEX and AIM rules issued by the Irish and UK Stock Exchanges, the directors are also responsible for preparing a directors' report relating to directors' remuneration and corporate governance that comply with that law and those rules.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2006. They are also responsible 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 in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### On behalf of the board

**Carl McCann**  
Chairman

**Philip Halpenny**  
Finance Director

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# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKROCK INTERNATIONAL LAND PLC

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We have audited the consolidated and company financial statements (the "financial statements") of Blackrock International Land plc for the year ended 31 December 2008 which comprise of the consolidated income statement, the consolidated and company statements of recognised income and expense, the consolidated and company balance sheets, the consolidated and company statements of cash flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. 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 auditor's 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the EU (EU IFRS's) are set out in the statement of directors' responsibilities on page 24.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with EU IFRS's and have been properly prepared in accordance with the Companies Acts 1963 to 2006. We also report to you our opinion as to whether proper books of account have been kept by the company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the

directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of IEX and AIM regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only of the directors' report, the chairman's statement, the operating and financial review and corporate governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKROCK INTERNATIONAL LAND PLC (CONTINUED)

### Opinion

In our opinion:

- the consolidated financial statements give a true and fair view, in accordance with EU IFRS's, of the state of the group's affairs as at 31 December 2008 and of its loss for the year then ended;
- the company financial statements give a true and fair view, in accordance with EU IFRS's and as applied in accordance with the provisions of the Companies Acts 1963 to 2006, of the state of the company's affairs as at 31 December 2008; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2006.

### Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in relation to the basis of preparation of the financial statements. We consider that this should be drawn to your attention but our opinion is not qualified in this respect.

### Other matters

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the company balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2008 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.



Chartered Accountants  
Registered Auditor  
Dublin

4 March 2009

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## STATEMENT OF ACCOUNTING POLICIES IN RELATION TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

### Reporting entity

Blackrock International Land plc is a company incorporated in Ireland. The consolidated financial statements of the company for the year ended 31 December 2008 are comprised of the financial statements of the company and its subsidiaries together referred to as the "group" and the group's interests in equity accounted investees. The consolidated and company financial statements (together "the financial statements") were authorised for issue by the directors on 4 March 2009.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRS) and interpretations adopted by the International Accounting Standards board (IASB), on the basis of EU IFRS's in issue that are effective for accounting periods ending on or before the reporting date, 31 December 2008.

### Significant accounting policies

#### (a) Basis of preparation and estimates

The financial statements are presented in euro, rounded to the nearest thousand. They are prepared on the historical cost basis except for investment property and derivative financial instruments, which are measured at fair value.

The accounting policies set out herein have been applied consistently by all group companies and to all periods presented for the purposes of the consolidated financial statements. Certain comparative amounts have been reclassified to conform to current year presentation (see note 7).

The preparation of financial statements in conformity with EU IFRS's requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities and income and

expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future years.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the consolidated financial statements is included in note 26.

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. In particular, in making such enquiries, the board has had regard to the current financing arrangements and its planned activities for the next 18 months. In the main, the equity accounted investees in which Blackrock has invested are special purpose companies that are financed with project specific debt. Similarly, the Dutch and Belgian portfolios are funded on a stand alone basis. The group's remaining property assets, comprising approximately €248 million in value, are financed by facilities subject to a loan to value covenant of 50%. The relevant ratio at the year end was 48.4%. Blackrock currently anticipates having sufficient resources to meet its ongoing requirements. Nonetheless, the board is cognisant of the potential for further declines in property values while the current period of uncertainty continues and, accordingly, it is discussing with its lenders a new three year facility to strengthen the group's financial position going forward.

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## STATEMENT OF ACCOUNTING POLICIES IN RELATION TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

### (b) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights, that presently are exercisable or convertible, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### (ii) Investments in equity accounted investees

Joint ventures are those entities over whose activities the group has joint control, established by contractual agreement, and are initially accounted for at cost. The consolidated financial statements then include the group's share of the joint venture entities' income and expenses and any other equity movements, accounted for using the equity method, from the date that joint control commences until the date that joint control ceases.

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies and are initially accounted for at cost. The consolidated financial statements then include the group's share of the entity's recognised income and expenses, accounted for using the equity method, from the date that significant influence commences until the date that significant influence ceases.

Where the group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the group has an obligation to make further payments.

#### (iii) Company investments

Investments in subsidiaries and equity accounted investees are shown in the company balance sheet as non current assets and are valued at cost less provisions for impairments in value.

Where the company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the company has an obligation to make further payments.

#### (iv) Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the group's interest in the entity.

#### (vi) Business combinations

A business combination is the bringing together of separate businesses into one reporting entity, in which one entity obtains control of another entity. Control exists when the acquiring company has the power directly or indirectly to govern the financial and operating policies of an entity so as to obtain the benefits from its activities.

On acquisition by the acquiring entity, the group measures the identifiable assets and liabilities of the acquired entities at their fair values at the acquisition date in accordance with IFRS 3 "Business Combinations" which is known as the purchase method. From the acquisition date, business combinations are accounted for as subsidiaries.

### (c) Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the group entities at the foreign exchange rate ruling at the date on which the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

**(c) Foreign currency (continued)**

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair values were determined.

Euro has been determined to be the functional currency of all group companies and, therefore, any foreign exchange differences arising on translation are recognised in the income statement.

*Net investment in foreign operations*

Exchange differences arising from the translation of the net investment in foreign operations are taken to the currency translation reserve within equity. They are released to the income statement upon disposal of the foreign operations.

**(d) Investment property**

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value.

External independent valuers, having appropriate recognised professional qualifications and recent experience in the locations and categories of property being valued, value the portfolio at each reporting date.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuations are prepared by considering comparable market transactions for sales and lettings. In the case of lettings, this includes considering the aggregate of the net annual rents receivable from the properties and associated rental costs when relevant. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

Valuations reflect, as appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. Any gain or loss arising from a change in fair value is recognised in the income statement.

Where investment property is held for sale as defined in IFRS 5 "Non current assets held for sale and discontinued operations", any gain or loss arising from a change in fair value is recognised in the income statement.

**(e) Leasehold property**

Leasehold properties that are leased out to tenants under operating leases are classified as investment properties where the operating lease exceeds 20 years, and are included in the balance sheet at fair value.

A leasehold interest under an operating lease is classified and accounted for as an investment property on a property by property basis when it is held to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as investment property is carried at fair value.

The group utilises an insignificant portion of an investment property as its head office. The property accordingly remains accounted for as an investment property.

**(f) Capitalisation of interest**

Interest is capitalised if it is directly attributable to the acquisition, construction or production of development properties or the redevelopment of investment properties. Capitalisation commences when the activities to develop properties start and continues until the property is substantially ready for its intended use. Capitalised interest is calculated with reference to the actual rate payable on borrowings for development purposes.

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## STATEMENT OF ACCOUNTING POLICIES IN RELATION TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

### (g) Property, plant and equipment

#### (i) Owned assets

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

#### (ii) Depreciation

The charge for depreciation is calculated to write down the cost of the property, plant and equipment or an identifiable part thereof, to their estimated residual values by equal annual instalments over their expected useful lives which are as follows:

10 years	Fixtures and fittings
3 years	Computer equipment

The residual value of plant and equipment is reassessed annually.

### (h) Intangible assets and goodwill

All business combinations are accounted for by applying the purchase method (see accounting policy b). Goodwill is recognised in acquisitions of subsidiaries and equity accounted investees and represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill arising on the acquisition of equity accounted investees is included in the carrying amounts of the investments.

### (i) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

### (j) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### (k) Derivative financial instruments and financial guarantees

The group may use derivative financial instruments, principally interest rate swaps, to manage its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Any gain or loss on re-measurement to fair value at period end is recognised immediately in the income statement.

The fair value of interest rate swaps is the estimated amount that the group would receive or pay to terminate the swaps at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparts.

The group has elected to account for financial guarantees between group entities and with joint ventures as insurance contracts in accordance with IFRS 4 "Insurance Contracts".

### (l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

### (m) Employee benefits

#### *Defined contribution retirement benefit plans*

Obligations for contributions to defined contribution retirement benefit plans are recognised as an expense in the income statement as incurred.

**(m) Employee benefits (continued)**

*Defined benefit retirement benefit plan*

Contributions to certain employees' defined benefit retirement benefit plans are made to the defined benefit retirement benefit plan of a related party.

The group is charged an annual contribution set by the related party to cover the costs of the retirement benefits earned by the group employees. This retirement benefit expense is recognised in the income statement as incurred.

**(n) Share capital**

*Ordinary share capital*

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from equity, net of tax.

**(o) Revenue**

*(i) Rental income*

Rental income from investment property leased out under operating leases is recognised in the income statement on a straight-line basis over the term of the leases. Lease incentives granted are recognised as an integral part of the total rental income.

Management has considered the potential transfer of risks and rewards of ownership for all properties leased to tenants and has determined that all such leases are operating leases.

*(ii) Services rendered*

Revenue from property related services rendered to tenants is recognised in the income statement as the services are provided.

*(iii) Interest income*

Interest income is recognised in the income statement as it accrues, using the effective interest method.

**(p) Expenses**

*(i) Service costs and property operating expenses*

Service costs and property operating expenses are expensed as incurred.

*ii) Finance costs*

Finance costs recognised in the income statement comprise of interest payable on borrowings calculated using the effective interest rate method, net of foreign exchange gains and losses on borrowings.

**(q) Income tax**

Income tax on the profit or loss for the year presented comprises of current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries and equity accounted investees where the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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## STATEMENT OF ACCOUNTING POLICIES IN RELATION TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

### (r) New standards and interpretations not applied

The group has not applied the following standards and interpretations that have been issued by the IASB and endorsed by the EU, but are not yet effective;

- IFRS 8 *Operating Segments* requires that segment information is presented according to results reviewed by the group's chief operating decision maker. The group is currently evaluating its expected impact. This is effective for years beginning after 1 January 2009.
- Revised IAS 23 *Borrowing Costs* removes the option to expense borrowing costs and requires an entity to capitalise such costs where they are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. This is effective for years beginning after 1 January 2009 and is unlikely to have a significant effect on the group as this policy is applied already by the group.
- IFRS 3 (Revised) *Business Combinations* changes the acquisition method for business combinations. It is effective for annual periods beginning on or after 1 July 2009. These changes include a requirement that all payments to purchase a business are to be recorded at fair value at the acquisition date, with any contingent payments subsequently re-measured through income. Goodwill may be calculated based on the company's share of net assets or it may include goodwill related to minority interest. All transaction costs will be expensed.
- Revised IAS 1 *Presentation of Financial Statements (2007)* introduces the term total comprehensive income, which represents changes in equity during a period other than these changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented either in a single statement or as separate items. The standard will be applicable in 2009 and the group intends to present its comprehensive income as a single statement.

The standards and interpretations addressed above will be applied for the purposes of group financial statements with effect from the dates listed. In addition, the group has not applied the following new standards, amendments to standards and interpretations that have been approved by the International Accounting Standards Board. All the below amendments to standards are effective from 1 July 2009.

- Amendments to IAS 27  
*Consolidated & Separate Financial Statements*
- Amendments to IAS 28  
*Investment in Associates*
- Amendments to IAS 31  
*Investment in Joint Ventures*
- Amendments to IAS 32  
*Financial Instruments Presentation*

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# CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2008

		2008	2008	2007	2007
	<i>Notes</i>	€'000	€'000	€'000	€'000
<b>Continuing operations</b>					
Gross rental and related income	2		17,867		15,689
Property outgoings	3		(4,121)		(2,670)
<b>Net rental and related income</b>			<b>13,746</b>		<b>13,019</b>
Net property valuation movement	4		(64,665)		2,345
<b>Net property and related (expense)/ income</b>			<b>(50,919)</b>		<b>15,364</b>
Administrative expenses	5		(5,000)		(5,511)
<b>Result from operating activities</b>	6		<b>(55,919)</b>		<b>9,853</b>
Share of result of equity accounted investees	11		(37,724)		4,756
Finance income	7	26,550		10,597	
Finance expense	7	(11,763)		(12,107)	
Net finance income/(expense)			<b>14,787</b>		<b>(1,510)</b>
<b>Result before tax</b>			<b>(78,856)</b>		<b>13,099</b>
Income tax (expense)/credit					
- current	8	(100)		(830)	
- deferred	8	4,185		(907)	
Net income tax			<b>4,085</b>		<b>(1,737)</b>
<b>Result for the year</b>			<b>(74,771)</b>		<b>11,362</b>
<b>Attributable to:</b>					
Equity shareholders of the company			(74,856)		11,263
Minority interest			85		99
<b>Result for the year</b>			<b>(74,771)</b>		<b>11,362</b>
Basic result per share (euro cent)	19		<b>(12.83)</b>		<b>1.93</b>

On behalf of the board

Carl McCann  
Chairman

Philip Halpenny  
Finance Director

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# CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 31 December 2008

		2008	2007
	Notes	€'000	€'000
<b>Result for the year</b>	14	(74,771)	11,362
Foreign currency translation on foreign operations	14	(5,496)	(1,890)
<b>Total recognised income and expense for the year</b>	14	(80,267)	9,472
<b>Attributable to:</b>			
Equity shareholders of the company		(80,352)	9,373
Minority interest		85	99
<b>Total recognised income and expense for the year</b>		(80,267)	9,472

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# CONSOLIDATED BALANCE SHEET

at 31 December 2008

		2008	2007
	Notes	€'000	€'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	9	315,336	380,740
Property, plant and equipment	10	103	140
Investments in equity accounted investees	11	24,939	58,834
Deferred tax assets	18	3,856	2,654
<b>Total non-current assets</b>		<b>344,234</b>	<b>442,368</b>
<b>Current assets</b>			
Trade and other receivables	12	5,030	10,775
Cash and cash equivalents	13	6,986	9,714
<b>Total current assets</b>		<b>12,016</b>	<b>20,489</b>
<b>Total assets</b>		<b>356,250</b>	<b>462,857</b>
<b>Equity</b>			
Issued share capital	14	5,833	5,833
Share premium	14	201,085	201,085
Other reserves	14	(56,976)	23,376
<b>Total equity attributable to:</b>		<b>149,942</b>	<b>230,294</b>
Equity shareholders of the company	14	149,942	230,294
Minority interest	14	226	141
<b>Total equity</b>		<b>150,168</b>	<b>230,435</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	15	179,354	198,878
Deferred tax liabilities	18	17,379	20,362
<b>Total non-current liabilities</b>		<b>196,733</b>	<b>219,240</b>
<b>Current liabilities</b>			
Trade and other payables	17	7,763	11,605
Employee benefits	16	91	132
Loans and borrowings	15	1,495	1,445
<b>Total current liabilities</b>		<b>9,349</b>	<b>13,182</b>
<b>Total liabilities</b>		<b>206,082</b>	<b>232,422</b>
<b>Total liabilities and equity</b>		<b>356,250</b>	<b>462,857</b>
Net asset value per share (euro cent):	20	25.71	39.48

On behalf of the board

Carl McCann  
Chairman

Philip Halpenny  
Finance Director

4 March 2009

# 36 CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2008

		2008	2008	2007	2007
	Notes	€'000	€'000	€'000	€'000
<b>Result before tax</b>		(78,856)		13,099	
<b>Adjustments for:</b>					
Net property valuation movement	4	64,665		(2,345)	
Depreciation	10	36		19	
Finance income		(1,341)		(924)	
Finance expense	7	11,763		11,792	
Share of result of equity accounted investees	11	37,724		(4,756)	
Exchange difference on non-property net assets		(25,209)		(9,358)	
<b>Operating result before changes in working capital</b>		<b>8,782</b>		<b>7,527</b>	
Decrease in trade and other payables		(2,595)		(2,973)	
(Increase)/decrease in trade and other receivables		(50)		6,069	
<b>Cash generated from operations</b>			<b>6,137</b>		<b>10,623</b>
Interest paid		(12,145)		(11,211)	
Income tax paid		(831)	(12,976)	279	(10,932)
<b>Net cash (outflow) from operating activities</b>			<b>(6,839)</b>		<b>(309)</b>
<b>Cash flows from investing activities</b>					
Acquisition of investment property		-		(107,077)	
Acquisition of property, plant & equipment		-		(157)	
Net cash outflow on acquisition of equity accounted investees		(3,678)		(23,229)	
Loans to equity accounted investees		(877)		(13,002)	
Loans repaid from equity accounted investees		-		6,750	
Net cash outflow from additional investment in equity accounted investees		(4,769)		(13,845)	
Proceeds from disposal of investment property		6,359		32,527	
Interest received		1,341		912	
<b>Net cash (outflow) from investing activities</b>			<b>(1,624)</b>		<b>(117,121)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings		(1,615)		(117,297)	
Proceeds from the drawdown of borrowings		7,124		207,253	
<b>Net cash inflow from financing activities</b>			<b>5,509</b>		<b>89,956</b>
Net (decrease) in cash and cash equivalents			(2,954)		(27,474)
Cash and cash equivalents at beginning of year			9,714		37,503
Foreign exchange gain/(loss) on cash and cash equivalents			226		(315)
<b>Cash and cash equivalents at end of year</b>	13		<b>6,986</b>		<b>9,714</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 Segment reporting

Segment information is presented in the consolidated financial statements in respect of the group's geographical segments which represent the geographical location of the group's properties, and which is the primary basis on which the group's assets are managed and reported.

### (a) Geographical segments

Income Statement for the year ended 31 December 2008	Ireland	UK	Continental Europe	Unallocated	Consolidated
	€'000	€'000	€'000	€'000	€'000
Gross rental and related income	5,953	5,281	6,633	-	17,867
Net rental and related income	4,440	4,551	4,755	-	13,746
Valuation movement on investment properties	(25,532)	(35,851)	(3,282)	-	(64,665)
<b>Operating result</b>	<b>(21,092)</b>	<b>(31,300)</b>	<b>1,473</b>	<b>-</b>	<b>(50,919)</b>
Administration costs	-	-	-	(5,000)	(5,000)
Share of result of equity accounted investees	(10,030)	(26,357)	(1,337)	-	(37,724)
Operating result before finance costs & income tax	(31,122)	(57,657)	136	(5,000)	(93,643)

### Reconciliation to result for the year

Net finance income	14,787
Net income tax credit	4,085
<b>Result for year</b>	<b>(74,771)</b>

Income Statement for the year ended 31 December 2007	Ireland	UK	Continental Europe	Unallocated	Consolidated
	€'000	€'000	€'000	€'000	€'000
Gross rental and related income	4,572	6,207	4,910	-	15,689
Net rental and related income	3,589	5,986	3,444	-	13,019
Valuation movement on investment properties	7,233	(3,095)	(1,793)	-	2,345
<b>Operating result</b>	<b>10,822</b>	<b>2,891</b>	<b>1,651</b>	<b>-</b>	<b>15,364</b>
Administration costs	-	-	-	(5,511)	(5,511)
Share of result of equity accounted investees	4,756	-	-	-	4,756
Operating result before finance costs & income tax	15,578	2,891	1,651	(5,511)	14,609

### Reconciliation to result for the year

Net finance costs	(1,510)
Net income tax charge	(1,737)
<b>Result for year</b>	<b>11,362</b>

Depreciation expense incurred does not relate to a segment and is further set out in note 10. Unallocated costs principally relate to head office administration expenses.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 1 Segment reporting (continued)

### (a) Geographical segments (continued)

#### Balance sheet

at 31 December 2008

Segment assets	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Investment property	156,630	75,958	82,748	315,336
Investment in equity accounted investees	20,718	(117)	4,338	24,939
Trade and other receivables	1,585	1,455	1,990	5,030
	178,933	77,296	89,076	345,305

#### Reconciliation to total assets as reported in the group balance sheet

Deferred tax asset				3,856
Property, plant and equipment				103
Cash and cash equivalents				6,986
<b>Total assets</b>				<b>356,250</b>

Segment liabilities	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Loans and borrowings	30,734	89,485	60,235	180,454
Trade and other payables	2,378	1,188	4,197	7,763
Other	-	-	395	395
	33,112	90,673	64,827	188,612

#### Reconciliation to total liabilities as reported in the group balance sheet

Deferred tax liabilities				17,379
Employee benefits				91
<b>Total liabilities</b>				<b>206,082</b>

Other segment information	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Capital expenditure and property expenditure	975	577	778	2,330

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 1 Segment reporting (continued)

#### (a) Geographical segments (continued)

##### Balance sheet

at 31 December 2007

Segment assets	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Investment properties	182,625	112,170	85,945	380,740
Investment in equity accounted investees	27,621	25,528	5,685	58,834
Trade and other receivables	(1,165)	8,364	3,576	10,775
	209,081	146,062	95,206	<b>450,349</b>

##### Reconciliation to total assets as reported in the group balance sheet

Deferred tax asset				2,654
Property, plant and equipment				140
Cash and cash equivalents				9,714
<b>Total assets</b>				<b>462,857</b>

Segment liabilities	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Loans and borrowings	39,485	98,742	61,701	199,928
Trades and other payables	1,982	5,864	3,759	11,605
Other	-	-	395	395
	41,467	104,606	65,855	<b>211,928</b>

##### Reconciliation to total liabilities as reported in the group balance sheet

Deferred tax liabilities				20,362
Employee benefits				132
<b>Total liabilities</b>				<b>232,422</b>

Other segment information	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Capital expenditure and property expenditure	39,946	32,911	31,365	<b>104,222</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 1 Segment reporting (continued)

#### (b) Business segments

The group manages its business on the basis of geographical segments only. For the purposes of shareholder information only, the directors have presented a categorisation of the group's properties as follows:

- Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.
- Development properties represent properties held with no current investment return but with a view to rezoning and/or development for an alternative use.

	Investment properties	Development properties	Consolidated
	€'000	€'000	€'000
<b>At 31 December 2008</b>			
Revenues – net rental income	13,475	271	13,746
<b>Assets</b>			
Investment property	257,253	58,083	315,336
Investments in equity accounted investees	4,338	20,601	24,939
<b>Other segment information</b>			
Capital and property expenditure	2,089	241	2,330
<b>At 31 December 2007</b>			
Revenues – net rental income	12,628	391	13,019
<b>Assets</b>			
Investment property	312,709	68,031	380,740
Investments in equity accounted investees	5,685	53,149	58,834
<b>Other segment information</b>			
Capital and property expenditure	89,800	14,422	104,222

### 2 Gross rental income

	2008	2007
	€'000	€'000
Gross lease payments collected/accrued	16,076	15,090
Service charge income	1,791	599
	<b>17,867</b>	<b>15,689</b>

The group leases out the majority of its investment property by way of operating leases.

### 3 Net service charge income and property operating expenses

	Vacant	Rented out	Total
	€'000	€'000	€'000
<b>Year ended 31 December 2008</b>			
Service charge income	-	1,791	<b>1,791</b>
Property operating expense	(471)	(3,650)	<b>(4,121)</b>
	(471)	(1,859)	<b>(2,330)</b>
<b>Year ended 31 December 2007</b>			
Service charge income	-	599	<b>599</b>
Property operating expense	(484)	(2,186)	<b>(2,670)</b>
	(484)	(1,587)	<b>(2,071)</b>

Service charge income represents income receivable from tenants for the services of utilities, caretakers and other property related expenses.

#### Property operating expenses

	2008	2007
	€'000	€'000
Property taxes, fees, rates and ground rent	434	336
Utilities and waste management	1,024	326
Management and other fees	903	801
Property maintenance and repairs	1,760	1,207
<b>Total property operating expenses</b>	<b>4,121</b>	<b>2,670</b>

### 4 Net property valuation movement

	2008	2007
	€'000	€'000
<b>Net property valuation movement</b>	<b>(64,665)</b>	<b>2,345</b>

Net property valuation movement includes a valuation loss of €39,316,000 (2007: gain of €12,258,000), of which €10,502,000 (2007: €2,213,000) relates to the UK properties, and foreign currency losses in respect of UK properties held of €25,349,000 (2007: €9,913,000). The foreign exchange loss on UK properties is calculated as being the difference between the previous carrying value of the properties at the historic exchange rate and the current market value of the properties at the year end exchange rate.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 5 Administration expenses

	2008	2007
	€'000	€'000
Remuneration and related expenditure (a)	2,408	2,555
Non executive directors' fees	120	105
Property related professional fees	715	532
Other professional fees	968	1,032
Office, travel and administration	221	698
Corporate expenses	568	490
Exchange loss on non financial and non property assets	-	99
<b>Total administration expenses</b>	<b>5,000</b>	<b>5,511</b>

### (a) Staff numbers and costs

The average number of persons employed during the year, including executive directors, was as follows:

	2008	2007
Corporate management and administration	12	10

The aggregate payroll costs of these persons for the years ended 31 December 2008 and 31 December 2007 were as follows:

	2008	2007
	€'000	€'000
Wages and salaries	1,876	2,161
Contributions to retirement benefit plans	330	237
Compulsory social security contributions	202	157
	<b>2,408</b>	<b>2,555</b>

Details of directors' remuneration are set out in the corporate governance statement.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6 Statutory and other information

The result from operating activities for the financial year is stated after charging:

	2008	2007
	€'000	€'000
Depreciation on property, plant & equipment	36	19
Auditor's remuneration fees:		
- audit fees	125	150
- non audit fees	591	728
Operating leases – office buildings	210	84
Operating leases – ground rents	63	21
Executive and non-executive director's remuneration:		
- fees	120	105
- other remuneration	1,519	1,700

Non audit fees payable to the auditors are in respect of taxation and company secretarial services.

### 7 Net financing costs

	2008	2007
	€'000	€'000
Foreign currency loss on cash and cash equivalents	-	(315)
Interest payable on borrowings	(11,763)	(11,792)
Finance expense	(11,763)	(12,107)
Foreign currency translation gain on borrowings	24,983	9,673
Gain on fair value of interest rate swap	-	119
Interest receivable on bank deposits	443	805
Interest receivable on loans to equity accounted investees	898	-
Foreign currency translation gain on cash and cash equivalents	226	-
Finance income	26,550	10,597
Net finance income/(expense)	14,787	(1,510)

Prior period foreign currency gains on borrowings and swaps have been reclassified to finance income so as to classify all income and gains together within one caption. This had no net impact on net finance income/(expense) shown above, but had the effect of reclassifying €9.8 million of foreign currency gains from finance expense to finance income, and a further €0.3 million foreign currency loss from finance income to finance expense for the year ended 31 December 2007.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 7 Net financing costs (continued)

	2008	2007
	€'000	€'000
Foreign currency amounts recognised directly in equity		
Foreign currency translation loss on equity accounted investees	(5,496)	(1,890)

### 8 Income tax expense

	2008	2007
	€'000	€'000
<b>Current tax expense</b>		
Corporation tax on profit for the year:		
- Ireland	-	-
- Overseas	100	830
<b>Total current tax</b>	<b>100</b>	<b>830</b>
<b>Deferred tax expense</b>		
Arising from change in tax rates	(1,886)	-
Origination and reversal of temporary differences	(2,299)	907
<b>Total income tax (credit)/expense</b>	<b>(4,085)</b>	<b>1,737</b>
<b>Reconciliation of effective tax rate</b>	<b>2008</b>	<b>2007</b>
	€'000	€'000
Result before tax	(78,856)	13,099
Less share of result of equity accounted investees	37,724	(4,756)
	(41,132)	8,343
Income tax using domestic corporation tax rate (25%)	(10,283)	2,086
Non deductible expenses	3,042	115
Unrecognised tax losses	1,720	-
Difference in tax rates	1,886	44
Additional tax allowance	(384)	(302)
Other items	(66)	(206)
	(4,085)	1,737

### 9 Investment property

	2008	2007
	€'000	€'000
Balance at beginning of the year	380,740	355,984
Acquisitions in the year	-	60,741
Disposals of property in the year	(739)	(38,330)
Fair value movement	(39,316)	12,258
Foreign currency movement	(25,349)	(9,913)
<b>Balance at end of the year</b>	<b>315,336</b>	<b>380,740</b>

The carrying amount of investment property is the fair value of the property as determined by registered independent appraisers having appropriate recognised professional qualifications and recent experience in the locations and categories of the property being valued. Fair values were determined having regard to recent market transactions for similar properties in the same location as the group's investment properties and the market rent for similar properties in the same location as the group's investment properties, where such information was available. In general, the group's properties are held in special purpose vehicles and, where appropriate, it has been assumed that exchange would be by way of share transfers, thereby reducing purchasers' costs.

Attention is drawn to the risks associated with the valuation of investment properties, particularly at the current time. Investments in properties are relatively illiquid and are usually more difficult to realise, which will restrict the group's ability to realise value in cash in the short term. The property valuations have been prepared in a period of significant market uncertainty. The current difficulties being experienced in the world's financial markets, in particular those in the UK and Ireland, have resulted in reduced numbers of property transactions, with virtually no market activity in some areas. This lack of comparable evidence has decreased the degree of certainty in valuations compared to those in a more stable market with a normal level of market evidence. Nonetheless, the group has estimated fair value for its investment properties on the basis of advice from independent professional appraisers in all cases as more fully set out below.

The property valuations were carried out by the following:

	2008	2007
	€'000	€'000
Lisney (Republic of Ireland)	156,630	182,625
BTW Shiells, Lambert Smith Hampton, Brown & Lee (UK)	75,958	112,170
Jones Lang La Salle, Delta Estates (Continental Europe)	82,748	85,945
<b>Total</b>	<b>315,336</b>	<b>380,740</b>

In accordance with IAS 40, a property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. At 31 December 2008 the market value of land and property assets held under operating leases classified as investment property was €78,759,000 (2007: €92,657,000). Further geographical analysis of the group's properties is provided in note 1.

Further detail with regard to the sector analysis of the portfolio, together with rental yield information, has been provided within the operating and financial review and should be read in conjunction with this note.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 10 Property, plant and equipment

Year ended 31 December 2008

	Computer equipment	Fixtures & fittings	Total
	€'000	€'000	€'000
<b>Cost</b>			
At beginning of year	42	117	159
Disposals in year	(1)	-	(1)
At end of year	41	117	158
<b>Depreciation</b>			
At beginning of year	17	2	19
Charge for year	5	31	36
At end of year	22	33	55
<b>Net book value</b>			
At 31 December 2008	19	84	103

Year ended 31 December 2007

	Computer equipment	Fixtures & fittings	Total
	€'000	€'000	€'000
<b>Cost</b>			
At beginning of year	2	-	2
Additions in year	40	117	157
At end of year	42	117	159
<b>Depreciation</b>			
At beginning of year	-	-	-
Charge for year	17	2	19
At end of year	17	2	19
<b>Net book value</b>			
At 31 December 2007	25	115	140

## 11 Investments in equity accounted investees

Year ended 31 December 2008

	Equity 2008	Loans 2008	Total 2008
	€'000	€'000	€'000
Balance at the beginning of the year	15,324	43,510	58,834
Currency translation adjustment	(757)	(4,738)	(5,495)
Additional investment	-	9,324	9,324
Share of result after taxation	(7,493)	(30,231)	(37,724)
At end of year	7,074	17,865	24,939

Year ended 31 December 2007

	Equity 2007	Loans 2007	Total 2007
	€'000	€'000	€'000
Balance at the beginning of the year	2,325	10,317	12,642
Acquisitions in the year	3,104	20,125	23,229
Additional investment	5,479	21,368	26,847
Loans repaid from equity accounted investee	-	(6,750)	(6,750)
Currency translation adjustment	(340)	(1,550)	(1,890)
Share of result after taxation	4,756	-	4,756
At end of year	15,324	43,510	58,834

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 11 Investments in equity accounted investees (continued)

The following represents a summary of the group share of the assets and liabilities of its principal equity accounted investees.

#### Income statement for the year ended 31 December 2008

	Operating result before movement on investment properties	Movement on investment properties	Result for year
	€'000	€'000	€'000
Ireland	224	(10,254)	(10,030)
UK	(15)	(26,342)	(26,357)
Continent	154	(1,491)	(1,337)
<b>Total</b>	<b>363</b>	<b>(38,087)</b>	<b>(37,724)</b>

#### Income statement for the year ended 31 December 2007

	Operating result before movement on investment properties	Movement on investment properties	Result for year
	€'000	€'000	€'000
Ireland	(16)	4,772	4,756
<b>Total</b>	<b>(16)</b>	<b>4,772</b>	<b>4,756</b>

\*The movement on investment properties is disclosed net of deferred tax.

The following represents a summary of the group's share of the assets and liabilities of its equity accounted investees.

#### Share of equity accounted investees' assets and liabilities as at 31 December 2008

	Non-current assets		Current assets		Current liabilities		Non-current liabilities		Net assets
	Investment & development properties at valuation	Other current assets	Cash and deposits	Total current assets	Other liabilities	Borrowings	Other liabilities	Total liabilities	Total net assets
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Ireland	43,263	863	-	863	857	21,706	845	23,408	20,718
UK	42,740	785	107	892	3,359	38,430	1,960	43,749	(117)
Continent	19,470	229	742	971	1,103	15,000	-	16,103	4,338
<b>Total</b>	<b>105,473</b>	<b>1,877</b>	<b>849</b>	<b>2,726</b>	<b>5,319</b>	<b>75,136</b>	<b>2,805</b>	<b>83,260</b>	<b>24,939</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11 Investments in equity accounted investees (continued)

Share of equity accounted investees' assets and liabilities as at 31 December 2007

	Non-current assets		Current assets		Current liabilities		Non-current liabilities		Net assets
	Investment & development properties at valuation	Other current assets	Cash and deposits	Total current assets	Other liabilities	Borrowings	Other liabilities	Total liabilities	Total net assets
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Ireland	45,348	159	64	223	287	16,500	1,163	17,950	27,621
UK	69,060	2,681	2,677	5,358	5,048	34,741	9,101	48,890	25,528
Continent	20,727	3	622	625	667	15,000	-	15,667	5,685
<b>Total</b>	<b>135,135</b>	<b>2,843</b>	<b>3,363</b>	<b>6,206</b>	<b>6,002</b>	<b>66,241</b>	<b>10,264</b>	<b>82,507</b>	<b>58,834</b>

Details of the group's equity accounted investees per geographical location are discussed below:

#### Ireland

##### *Knockumber JV*

The group holds a 50% interest in a partially developed retail park, located in County Meath.

##### *Rolat Limited*

Rolat Limited has a 50% contractual interest in 56 acres of agricultural zoned land in North Dublin.

##### *Tilder JV*

The group holds a 50% interest in 135 acres of agricultural zoned land in The Ward in North Dublin.

#### UK

##### *Apple Rock One LLP*

The group has a 50% interest in a residential and commercial redevelopment site at the former Edinburgh Fruit Market, Scotland.

##### *Apple Rock Two Ltd.*

The group holds a 50% stake in a residential redevelopment site at the former Jewel & Esk college campus, Dalkeith, Edinburgh, Scotland.

##### *South East Edinburgh Development Company*

The group holds a 50% interest in a strategic land holding in Drum, Edinburgh, Scotland.

##### *Silverfields LLP*

The group holds a one-third stake in a mixed use redevelopment site in Bonnington, Edinburgh.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 11 Investments in equity accounted investees (continued)

### *QMD Glasgow Limited*

The group holds a 50% interest in a hotel and residential redevelopment site at Queen Margaret Drive, Glasgow.

### *Cornerstone City Development SARL*

The company holds a 37.5% interest in Cornerstone City Development SARL, a private limited company involved in property investment and development.

### **Continent**

#### *Duo Capital Sarl*

The group holds a 50% interest in the Olympiades office building in Brussels, Belgium.

## 12 Trade and other receivables

	2008	2007
	€'000	€'000
Trade and other receivables	2,136	8,513
Prepayments	2,894	2,262
	5,030	10,775

Details of certain risks associated with these amounts are set out in note 22.

## 13 Cash and cash equivalents

	2008	2007
	€'000	€'000
Bank current balances	2,900	1,860
Bank deposit balances	4,086	7,854
Cash and cash equivalents in the statement of cash flows	6,986	9,714

Details of certain risks associated with these amounts are set out in note 22.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 14 Capital and reserves

#### Reconciliation of movement in capital and reserves for year ended 31 December 2008

	Attributable to equity holders of the parent						Total equity
	Share capital	Share premium	Retained earnings	Currency translation reserve	Total	Minority interest	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 December 2007	5,833	201,085	25,266	(1,890)	230,294	141	230,435
Total recognised income and expenses	-	-	(74,856)	(5,496)	(80,352)	85	(80,267)
Balance at 31 December 2008	5,833	201,085	(49,590)	(7,386)	149,942	226	150,168

#### Reconciliation of movement in capital and reserves for year ended 31 December 2007

	Attributable to equity holders of the parent						Total equity
	Share capital	Share premium	Retained earnings	Currency translation reserve	Total	Minority interest	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 December 2006	5,833	201,085	14,003	-	220,921	42	220,963
Total recognised income and expenses	-	-	11,263	(1,890)	9,373	99	9,472
Balance at 31 December 2007	5,833	201,085	25,266	(1,890)	230,294	141	230,435

### **14 Capital and reserves** (continued)

#### *Authorised share capital*

The authorised share capital is €10,000,000 divided into 1,000,000,000 ordinary shares of €0.01 each. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company's residual assets.

#### *Issued share capital*

At 31 December 2008, there were 583,264,908 (2007: 583,264,908) ordinary shares of €0.01 each in issue.

#### *Dividends*

No dividends were paid by the group in the current or previous financial periods.

#### *Currency translation reserve*

Exchange differences arising from the translation of sterling denominated net investments in equity accounted investees are taken to the translation reserve. They will be released into the income statement upon disposal of the related investments.

#### *Capital management*

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board does not anticipate payment of dividends in the medium term. Further comments on cashflow and liquidity are included within the "Basis of preparation" note to the financial statements.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of gearing and the advantages and security afforded by a sound capital position.

The board has no plan to implement a share options scheme for the company's employees in the near future.

The group may purchase its own shares on an ad-hoc basis. The principal forms of capital considered critical with regard to the management of the company are issued share capital, share premium account, retained earnings and interest bearing loans and borrowings.

### 15 Loans and borrowings

This note provides information about the contractual terms of the group's interest-bearing loans and borrowings, all of which are held at amortised cost. For more information about the group's exposure to interest rate and currency risk, see note 22.

	2008	2007
	€'000	€'000
<b>Non-current liabilities</b>		
Unsecured bank loans	120,219	138,228
Secured bank loans	58,740	60,255
Other payables	395	395
	<b>179,354</b>	<b>198,878</b>
<b>Current liabilities</b>		
Bank overdraft	150	-
Secured bank loans	1,345	1,445
	<b>1,495</b>	<b>1,445</b>

Terms and conditions of outstanding loans were as follows:

In thousands of euro	Currency	Interest rate arrangement	Year of maturity	31 December 2008		31 December 2007	
				Fair value	Carrying amount	Fair value	Carrying amount
				€'000	€'000	€'000	€'000
Unsecured bank loan	Euro	Variable	2011-2012	29,354	30,734	37,938	39,486
Unsecured bank loan	GBP	Variable	2011-2013	85,777	89,485	95,390	98,742
Secured bank loan	Euro	Variable	2011	11,805	11,430	11,349	11,700
Secured bank loan	Euro	Fixed	2011	18,210	18,430	18,558	19,000
Secured bank loan	Euro	Fixed	2011	29,896	30,225	30,313	31,000
				<b>175,042</b>	<b>180,304</b>	<b>193,548</b>	<b>199,928</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 15 Loans and borrowings (continued)

Terms and debt repayment schedule

	2008	2007
	€'000	€'000
<b>Repayable by instalments:</b>		
Repayable within 1 year	1,345	1,445
Repayable within 2 years	1,525	1,465
Repayable within 2 to 5 years	57,215	58,790
Repayable after 5 years	-	-
<b>Repayable other than by instalments:</b>		
Repayable within 2 to 5 years	120,219	138,228
Repayable after 5 years	-	-
<b>Total</b>	<b>180,304</b>	<b>199,928</b>

Variable rate bank loans incur interest based on interbank market rates plus an agreed margin. Fixed rate bank loans incur interest at rates between 5.4% and 5.5%.

- (a) Bank loans of €120,219,000 (2007: €138,228,000) are guaranteed by certain nominated subsidiaries and subject to covenants relating to asset cover.

These loans, denominated in both pounds sterling and euro, are repayable in full five years from the date of drawdown. The loans outstanding at 31 December 2008 are due to mature at various dates from 5 June 2011 to 12 June 2013. Interest is payable at the relevant interbank market rate plus a margin.

- (b) A secured bank loan drawn down by a subsidiary of €11,430,000 (2007: €11,700,000) is secured by certain investment properties in Belgium. The loan is denominated in euro, and is repayable in quarterly capital repayments over the next three years. Interest is payable at a 3 months Euribor rate plus margin.

- (c) Secured bank loans drawn down by a subsidiary of €48,655,000 (2007: €50,000,000) are secured by certain investment properties in the Netherlands and by a guarantee from the company. (See note 23 for further details).

The loans are denominated in euro and repayable in quarterly capital repayments over the next three years. The remaining capital is due in January 2011. Interest is payable at fixed interest rates between 5.4% and 5.5%.

- (d) The group operated within its various loan covenants during the year and in previous periods. Covenants principally relate to loan to asset value amounts, as further discussed in the "Basis of preparation" note to the financial statements.

### 16 Employee benefits

#### *Defined contribution plan*

The group provides employee benefits under various arrangements, including a defined contribution retirement benefit plan. The expense recognised in the consolidated income statement consists of the group's retirement benefit contributions for the year ended 31 December 2008 as disclosed in note 5. As at 31 December 2008, the group has a liability of €91,000 (2007: €132,000), for retirement benefit contributions not paid.

#### *Defined benefit retirement benefit plan*

Contributions to certain employees' defined benefit retirement benefit plans are made to the defined benefit retirement benefit plan of a related party. The group is charged an annual contribution set by the related party to cover the costs of the retirement benefits earned by the group employees. This retirement benefit expense is recognised in the income statement as incurred.

### 17 Trade and other payables

	2008	2007
	€'000	€'000
Trade and other payables	2,440	1,280
Accruals	3,839	4,388
Deferred income	655	1,228
Other taxation and social security	829	4,709
	<b>7,763</b>	<b>11,605</b>

### 18 Deferred tax assets and liabilities

#### *Recognised deferred tax amounts*

Deferred tax amounts are attributable to the following items:

At 31 December 2008

	Liabilities	Assets
	2008	2008
	€'000	€'000
Investment property revaluation gains	17,155	-
Tax value of losses carried forward	-	(3,856)
Tax value of accrued rental income	224	-
Tax liabilities/(assets)	17,379	(3,856)
Net tax liabilities		<b>13,523</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 18 Deferred tax assets and liabilities (continued)

At 31 December 2007

	Liabilities	Assets
	2007	2007
	€'000	€'000
Investment property revaluation gains	20,120	-
Tax value of losses carried forward	-	(2,654)
Tax value of accrued rental income	242	-
Tax liabilities/(assets)	20,362	(2,654)
<b>Net tax liabilities</b>		<b>17,708</b>

### Deferred tax

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities (ie. whether through use or sale), using the estimated average annual effective income tax rate for the period in which the gain or loss is expected to be settled. The primary components of the group's deferred tax liabilities relate to valuation uplifts on the group's properties over their tax carrying values and assets have been recognised only where their utilisation within the foreseeable future is considered likely.

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2008	2007
	€'000	€'000
Tax losses	1,720	521
	1,720	521

Deferred tax assets have not been recognised in respect of these items on the grounds that there is insufficient evidence that the assets will be recoverable. In the event that sufficient profits are generated in the relevant jurisdictions in the future, these assets may ultimately be recovered.

No deferred tax has been recognised on the unremitted earnings of overseas subsidiaries and equity accounted investees as there is no current intention to make distribution of those reserves.

### 18 Deferred tax assets and liabilities (continued)

#### Movement in temporary differences during the year ended 31 December 2008

	Balance at beginning of year	Recognised in income	Balance at end of year
	€'000	€'000	€'000
Investment property gain	20,120	(2,965)	17,155
Tax value of losses carried forward	(2,654)	(1,202)	(3,856)
Tax value of accrued rental income	242	(18)	224
	17,708	(4,185)	13,523

#### Movement in temporary differences during the year ended 31 December 2007

	Balance at beginning of year	Recognised in income	Balance at end of year
	€'000	€'000	€'000
Investment property gain	16,721	3,399	20,120
Tax value of losses carried forward	(209)	(2,445)	(2,654)
Tax value of accrued rental income	289	(47)	242
	16,801	907	17,708

### 19 Earnings per share

#### Basic result per share

The calculation of basic result per share for the year ended 31 December 2008 is based on the result attributable to equity shareholders in the year and the weighted average number of equity shares outstanding during the year calculated as follows:

	Year ended 31 December 2008	Year ended 31 December 2007
	€'000	€'000
Result attributable to equity shareholders	(74,856)	11,263

#### Weighted average number of ordinary shares

	In thousands of shares	In thousands of shares
At beginning of year	583,265	583,265
Weighted number of ordinary shares outstanding during year	583,265	583,265
Basic result per share (euro cent)	(12.83)	1.93

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 19 Earnings per share (continued)

### *Diluted earnings per share*

The calculations of diluted earnings per share for the years ended 31 December 2008 and 31 December 2007 were based on the results attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the years ended 31 December 2008 and 31 December 2007 as calculated for basic earnings per share above, as there were no potentially dilutive instruments in issue.

## 20 Net asset value per share

The calculations of net asset value per share at 31 December 2008 and 31 December 2007 were based upon the total equity attributable to the shareholders of the company at 31 December 2008 and 31 December 2007 and the number of ordinary shares outstanding at 31 December 2008 and 31 December 2007 as follows:

	2008	2007
	€'000	€'000
Total equity attributable to shareholders of company	149,942	230,294
	In thousands of shares	In thousands of shares
Total number of ordinary shares outstanding at year end	583,265	583,265
Net asset value per share (euro cent)	25.71	39.48

## 21 Leases

### *Operating leases with tenants*

The group leases out certain of its investment properties. The average term to expiry of leases is 6 years (2007: 6 years). The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2008	2007
	€'000	€'000
Less than one year	11,522	10,704
Between one and five years	30,626	22,911
More than five years	29,346	29,017
	71,494	62,632

## 21 Leases (continued)

### *Obligations under operating leases*

Certain of the group's investment properties are held under long term leasehold arrangements, under which the group pays annual ground rents under head leases ranging from 69 years to 97 years. The total amounts due under these operating lease agreements are as follows:

	Minimum lease payments	Minimum lease payments
	2008	2007
	€'000	€'000
Less than one year	32	41
From one to five years	126	164
From five to 25 years	632	818
After 25 years	6,939	8,968
	<b>7,729</b>	<b>9,991</b>

The present value of future lease payments is €271,000 for the group (2007: €351,000), discounted at 6% per annum (2007: 6%), which was the weighted average effective yield of the leases at their inception.

## 22 Financial instruments

### *Financial risk management objectives and policies*

The group's activities are exposed to a variety of financial and market risks including interest rate risk, foreign currency risk, liquidity risk and credit risks. These risks are managed by the group under policies approved by the board of directors.

Commentary on risks associated with the group's investment properties has been included at note 9.

### *Interest rate risk*

The group's exposure to market risk for changes in interest rate arises from its floating and fixed rate borrowings and fixed rate deposit accounts. The group's policy is to review each acquisition that it makes and to finance it in a manner most appropriate to the strategic objectives of that investment. There has been no amendment to the group's policy in the current financial year.

The group reviews and considers interest rate alternatives with financial institutions on a regular basis. It has a mixture of variable and fixed rate loans for 3 to 5 years.

The interest rate applicable to the variable rate loans are re-priced on a periodic basis to ensure the interest rate being charged is consistent with the market.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 22 Financial instruments (continued)

### *Interest rate risk (continued)*

Available cash and cash equivalents are placed on higher interest deposits for periods of less than 3 months, depending on cash demands for the group and market conditions.

The interest rate profile of the group's interest-bearing financial instruments has been set out at note 15.

### *Fair value sensitivity analysis for fixed rate instruments*

The group does not account for any fixed rate financial assets and liabilities at fair value through the income statement. Therefore, the impact of a change in interest rates at the reporting date on fixed rate instruments would not affect profit or loss for the year or shareholders' equity.

### *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2007.

	Profit or loss		Other equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	€'000	€'000	€'000	€'000
<b>31 December 2008</b>				
Variable rate instruments	(4,640)	4,640	-	-
Cash flow sensitivity	(4,640)	4,640	-	-
<b>31 December 2007</b>				
Variable rate instruments	(4,876)	4,876	-	-
Cash flow sensitivity	(4,876)	4,876	-	-

### *Foreign currency risk*

The group operates in sterling and euro zones and has significant property assets in the United Kingdom partly financed by sterling denominated borrowings.

Board policy is to match, to a significant extent, sterling rentals and sterling interest costs, while also financing a significant portion of the UK portfolio by borrowing in sterling.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22 Financial instruments (continued)

#### Foreign currency risk (continued)

The group's exposure to foreign currency risk for financial instruments was as follows:

	31 December 2008		31 December 2007	
	Euro €'000	Stg £'000	Euro €'000	Stg £'000
Trade and other receivables	2,003	126	975	5,528
Cash and cash equivalents	5,823	1,106	6,147	2,616
Loans to equity accounted investees	9,044	8,402	13,695	19,678
Loans and borrowings	(90,969)	(85,234)	(101,186)	(72,412)
Other non-current payables	(395)	-	(395)	-
Trade and other payables	(2,310)	(124)	(968)	(229)
Accruals	(3,259)	(1,177)	(3,751)	(467)
Other taxation and social security	(1,007)	169	383	(3,734)
Gross balance sheet exposure	(81,070)	(76,732)	(85,100)	(49,020)
Add investment property	239,378	72,350	268,570	82,260
Net balance sheet exposure	158,308	(4,382)	183,470	33,240
Gross rental & related income	12,586	4,204	9,482	4,194
Property outgoing	(3,391)	(612)	(2,449)	(149)
Net rental income exposure	9,195	3,592	7,033	4,045
Net interest expense	(4,192)	(5,070)	(2,030)	(6,035)
Net profit & loss exposure	5,003	(1,478)	5,003	(1,990)

The following significant exchange rates applied during the year:

	Spot Rate		Average Rate	
	2008	2007	2008	2007
GBP 1:	1.05	1.363	1.24	1.48

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 22 Financial instruments (continued)

#### Sensitivity Analysis

A 10 per cent strengthening of the euro against the British pound would have increased/(decreased) equity and profit or (loss) by the amounts shown below. This analysis assumes that all of other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

	Other equity	Profit or loss
	€'000	€'000
31 December 2008		
GBP	882	(1,342)
31 December 2007		
GBP	(2,682)	(1,849)

A 10 per cent weakening of the euro would have had the equal but opposite effect, on the basis that all other variables remain constant.

#### Liquidity risk

The group's policy on funding capacity is to ensure that the group has sufficient own funding and committed bank facilities in place to meet foreseeable investment opportunities.

The following are the contractual maturities of financial liabilities, including interest payments.

#### At 31 December 2008

Financial liabilities:	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Secured bank loans:							
GBP floating loan	(89,485)	(101,818)	(1,888)	(1,888)	(3,007)	(95,035)	-
Euro floating loan	(30,734)	(35,087)	(702)	(702)	(1,148)	(32,535)	-
Euro floating loan (subsidiaries)	(60,085)	(66,659)	(2,291)	(2,291)	(4,505)	(57,572)	-
Other non-current payables	(395)	(395)	(395)	-	-	-	-
Accruals	(3,568)	(3,568)	(3,568)	-	-	-	-
Finance lease liabilities	(271)	(7,729)	(17)	(15)	(30)	(96)	(7,571)
Other taxation and social security	(829)	(829)	(829)	-	-	-	-
Trade and other payables	(2,440)	(2,440)	(2,440)	-	-	-	-
<b>Total</b>	<b>(187,807)</b>	<b>(218,525)</b>	<b>(12,130)</b>	<b>(4,896)</b>	<b>(8,690)</b>	<b>(185,238)</b>	<b>(7,571)</b>

### 22 Financial instruments (continued)

At 31 December 2007

Financial liabilities:	Carrying amount	Contractual cash flows	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Secured bank loans:							
GBP floating loan	(98,742)	(122,579)	(3,154)	(2,955)	(5,877)	(110,593)	-
Euro floating loan	(39,486)	(48,840)	(1,109)	(1,049)	(2,091)	(44,591)	-
Euro floating loan (subsidiaries)	(61,700)	(70,930)	(2,368)	(2,367)	(4,696)	(61,499)	-
Other non-current payables	(395)	(395)	(395)	-	-	-	-
Accruals	(4,037)	(4,037)	(4,037)	-	-	-	-
Finance lease liabilities	(351)	(9,991)	(21)	(20)	(41)	(123)	(9,786)
Other taxation and social security	(4,709)	(4,709)	(4,709)	-	-	-	-
Trade and other payables	(1,280)	(1,280)	(1,280)	-	-	-	-
<b>Total</b>	<b>(210,700)</b>	<b>(262,761)</b>	<b>(17,073)</b>	<b>(6,391)</b>	<b>(12,705)</b>	<b>(216,806)</b>	<b>(9,786)</b>

#### Credit risk

The group has two related-party significant tenants from which it derived a total of 30% of its revenue in rental income in the current year (2007: 34%). See note 25 for further details.

As the group adds to its investment portfolio, the relative significance of each of these significant tenants is diminished. The group regularly reviews the credit history and standing of all tenants.

The group has a concentration of credit risk in relation to its cash and cash equivalents. The group holds a significant portion of its cash and cash equivalents with a well established Irish banking institution. Cash and short term bank deposits are invested with institutions of the highest credit rating.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is set out below, in addition to guarantees given as outlined in note 23.

	2008	2007
	€'000	€'000
Trade and other receivables	2,136	8,513
Loans to equity accounted investees	17,865	43,510
Cash and cash equivalents	6,986	9,714
<b>Total</b>	<b>26,987</b>	<b>61,737</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 22 Financial instruments (continued)

All of the group's trade receivables relate to rental and related income, in the various geographical regions laid out below.

The maximum exposure to credit risk for financial assets at the reporting date by geographic region was:

	2008	2007
	€'000	€'000
Domestic	7,618	18,350
Euro-zone countries	9,254	2,467
United Kingdom	10,115	40,920
<b>Total</b>	<b>26,987</b>	<b>61,737</b>

The group's two most significant customers had no amounts due at 31 December 2008, as rents are payable in advance.

The ageing of trade and other receivables at the reporting date was:

	2008	2007
	€'000	€'000
Not past due	1,335	8,503
Past due 0-30 days	417	-
Past due 31-120 days	384	10
<b>Total</b>	<b>2,136</b>	<b>8,513</b>

The balance of past due 31-120 days relates to amounts due from tenants in the normal course of business. Based on past experience, the group believes that no impairment allowance is necessary in respect of trade receivables. Therefore, there is no impairment allowance carried against trade receivables for the current or prior years.

## 22 Financial instruments (continued)

### *Fair values*

The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet, are as follows:

	31 December 2008		31 December 2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	€'000	€'000	€'000	€'000
Trade and other receivables	2,136	2,136	8,513	8,513
Loans to equity accounted investees	17,865	17,865	43,510	43,510
<b>Cash and cash equivalents:</b>				
GBP current account	681	681	263	263
GBP deposit	482	482	3,302	3,302
Euro deposit	2,219	2,219	4,552	4,552
Euro current account	3,604	3,604	1,597	1,597
<b>Secured bank loans:</b>				
GBP floating loan	(89,485)	(85,777)	(98,742)	(95,390)
Euro floating loan	(30,734)	(29,354)	(39,486)	(37,938)
Euro floating loan subsidiaries	(11,430)	(11,805)	(11,700)	(11,349)
Euro fixed loan subsidiaries	(48,655)	(48,106)	(50,000)	(48,871)
Other non-current payables	(395)	(395)	(395)	(395)
Trade and other payables	(2,440)	(2,440)	(1,280)	(1,280)
Finance lease liabilities	(271)	(271)	(351)	(351)
Accruals	(3,568)	(3,568)	(4,037)	(4,037)
Other taxation and social security	(829)	(829)	(4,709)	(4,709)
<b>Total</b>	<b>(160,820)</b>	<b>(155,558)</b>	<b>(148,963)</b>	<b>(142,583)</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## (CONTINUED)

### 22 Financial instruments (continued)

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

#### *Loans and borrowings*

Fair value is calculated based on discounted expected future principal and interest cash flows and were as follows:

	2008	2007
GBP floating loan	6.0%	7.0%
Euro floating loan	7.0%	6.1%
Euro floating loan – Belgian subsidiary	5.0%	5.7%
Euro fixed loan – Dutch subsidiary	5.8%	5.8%
Euro fixed loan – Dutch subsidiary	5.8%	5.8%

Fair value rates are estimated market borrowing rates as at balance sheet date and do not reflect the group's external borrowing costs, these are outlined in note 15 to these financial statements.

#### *Other*

The majority of the group's remaining financial assets and liabilities are relatively short-term in nature and accordingly have carrying amounts which are reasonably reflective of fair value.

### 23 Contingencies and guarantees

- (a) The company has provided a guarantee of €4.4m in respect of the bank borrowings of the joint venture companies involved in developing property in Navan, Ireland.
- (b) The company has provided a guarantee of €1.2m in respect of interest arising on the €13.5m bank borrowings of Tilder Holdings Limited, the joint venture company which owns lands in North Dublin.
- (c) The company has provided a guarantee of €1.5m in respect in respect of the bank borrowings of Blackrock International Land Vida BV in relation to the financing of a building in Amsterdam.
- (d) The company has provided a guarantee of Stg £3.5m in respect of the prospective liability to pay its 50% share of any additional consideration due to the vendor of property at Queen Margaret Drive, Glasgow. Such additional consideration will only be payable in the event of a profitable outcome of the development. The company has also provided a cost overrun guarantee of £1.3m on the bank borrowings for development expenditure of the joint venture company that owns the property at Queen Margaret Drive, Glasgow.

## 23 Contingencies and guarantees (continued)

- (e) South East Edinburgh Development Company (SEED Co), a 50:50 joint venture, acquired approximately 300 acres of agricultural land south of Edinburgh, during 2007. The company has guaranteed its 50% share of any additional consideration payable to the vendor, calculated as 50% of the open market value, net of all costs of the land, when planning consents have been received. The company has provided a joint and several guarantee for the bank borrowings of SEED Co.
- (f) The company has provided a guarantee of £0.1m in respect of interest arising on the borrowings of Silverfields LLP.

## 24 Capital commitments

At 31 December 2008, the company had no capital commitments.

## 25 Related parties

The group has related party relationships with its subsidiaries and equity accounted investees and with its directors, Fyffes plc and Total Produce plc.

### *Transactions with key management personnel*

Key management personnel who comprise the executive and non-executive directors of the company receive compensation in the form of short-term employee benefits and retirement benefits. Key management personnel received total compensation of €1,639,000 (2007: €1,805,000) (group) for the year ended 31 December 2008. Total remuneration is included in "administration expenses" (see note 5). Outside of the director group, no other members of the management team are considered to be key in the context of this disclosure.

Key management personnel compensation (including non-executive directors' fees) is analysed as follows:

	2008	2007
	€'000	€'000
Short term employee benefits	1,416	1,667
Retirement benefits	223	138
	1,639	1,805

Further details of director compensation are provided in the corporate governance statement.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 25 Related parties (continued)

### Other company related party transactions

#### *Fyffes plc*

In May 2006, the company acquired the property undertaking of Fyffes plc. Fyffes plc is a 40% shareholder in the company and there also is one common director. It is therefore considered a related party.

During the year ended 31 December 2008, the group and company recognised the following rental income and expenses with Fyffes plc.

	2008	2007
	€'000	€'000
Rental income	2,721	2,957
Expenses	468	232

Expenses charged by Fyffes plc relate to costs incurred by Fyffes plc on behalf of the group, including recharges in respect of administration expenses and pension contributions relating to key management.

At the year end, the following balances were owed by/to Fyffes plc.

	2008	2007
	€'000	€'000
Amounts owed by Fyffes plc	1	-
Amounts owed to Fyffes plc	(82)	(8)

#### *Total Produce plc*

Total Produce plc and the group have one director in common and therefore they are considered a related party. During the year, the group recognised the following rental income and expenses from transactions with Total Produce plc.

	2008	2007
	€'000	€'000
Rental income	2,130	2,319
Expenses	447	458

The amount owed by Total Produce at the year end was €31,000 (2007: €Nil) and amount owed to Total Produce was €153,000 (2007: €179,000).

**25 Related parties (continued)*****Balkan Investment Company / Total Produce plc***

The group continues to be involved in a 50:50 joint venture company with Total Produce plc (chaired by C.P. McCann). The company was formed in 2007. The group's investment in the joint venture company consisted of loan capital including fees of €6,545,000 (2007: €5,700,000) together with a guarantee in favour of the joint venture company for its share of any interest shortfall on bank borrowings, subject to a maximum of €1,250,000.

In 2007, the joint venture company acquired the shares of companies which owned 135 acres of land in Dublin for a total outlay including costs of €24,500,000. The vendor of the shares was a subsidiary of Balkan Investment Company, a company controlled by Mr N.V. McCann. Mr C. P. McCann is also a director of Balkan Investment Company as well as having a minority equity interest in the company. Mr. C. P. McCann did not participate in any of the decision of the group regarding this matter. The joint venture agreement and the agreements for the purchase of the shares were negotiated at arms length. The joint venture company and the vendors engaged their own separate advisors during the negotiation and execution of the transaction.

***Transactions with subsidiaries and equity accounted investees***

Information on the group's significant subsidiaries and equity accounted investees is set out in note 27. For additional information surrounding transactions with equity accounted investees, see note 11.

***Neasy Project Management Limited***

During the year, the group incurred net professional fees of €239,760 (2007: €242,305) to Neasy Project Management Limited.

Tom Neasy is proprietor of Neasy Project Management Limited and also a director of Blackrock International Land plc and is, therefore, a related party.

The amount owed to Neasy Project Management Limited at the year end was €173,500 (2007: €10,667).

**26 Accounting estimates and judgements**

Preparation of financial statements pursuant to EU IFRS requires a significant number of judgemental assumptions and estimates to be made. These impact on the income and expenses contained within the income statement and the valuation of the assets and liabilities in the balance sheet. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. It should be noted that the impact of valuation in some assumptions and estimates can have a material impact on the reported results.

- Critical accounting policies and estimates related to the group's investment property portfolio are set out in section (d) of the statement of accounting policies and are also outlined further in note 9 to the consolidated financial statements.
- Judgements made in assessing the carrying value of the group's various equity accounted investees which also contain investment property risk have been set out in note 11 to the consolidated financial statements.
- Judgements made in relation to the assessment of going concern for the group are set out in the operating and financial review and in the corporate governance statement.
- An assessment of other financial risks is set out in note 22.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 27 Group entities

The group controls a number of subsidiary entities, registered in various jurisdictions, as more fully set out below. It also has an interest in certain equity accounted investees as also set out below.

### Significant subsidiaries

	Registered office	Group share %	Principal activity
Blackrock Land Holding Ltd	1	100	Investment holding company
Blackrock Land Finance Ltd	1	100	Finance company
Swords Property Investments Ltd	1	100	Property investment
Swords Property Developments Ltd	1	100	Property investment
Optiplex Ltd	1	100	Property investment
Blackrock Land Beresford Ltd	1	100	Property investment
Blackrock Land Naul Ltd	1	100	Property investment
Blackrock Land Swords (P) Ltd	1	100	Property investment
Ramparts Property Ltd	1	100	Property investment
Blackrock Land Balmoral Ltd	2	100	Property investment
Blackrock Land Silbury Ltd	2	100	Property investment
Blackrock Land Brickhill Ltd	2	100	Property investment
Blackrock Land Continental Ltd	2	100	Property investment
BL St. Albans Ltd	2	100	Property investment
Blackrock Jersey Ltd	2	100	Investment holding company
Overton Farm Development Ltd	9	100	Property investment
Blackrock Land (UK) Ltd	3	100	Property management
Blackrock International Land Finance B. V.	4	100	Finance holding company
AFAIA SARL	5	90	Property investment

### 27 Group entities (continued)

#### Significant equity accounted investees

	Registered office	Group share %	Principal activity
Knockumber Ltd	1	50	Property development
Knockumber Property Development Ltd	1	50	Property development
Knockumber Holdings Ltd	1	50	Investment holding company
Rolat Ltd	1	50	Property investment
Tilder Holdings Ltd	7	50	Property development
Duo Capital Sarl	5	50	Property investment
Apple Rock One LLP	8	50	Property development
Apple Rock Two Ltd	8	50	Property development
QMD Glasgow Ltd	8	50	Property development
South East Edinburgh Development Company Ltd	8	50	Property development
Cornerstone City Development Sarl	6	37.5	Property investment

- 1) 29 North Anne Street, Dublin 7
- 2) Barette Commercial Centre, Route du Mont Mado, St. John, Jersey, JE3 4DS, Channel Islands
- 3) Stokes House, 12 – 25 College Square East, Belfast BT1 6DH
- 4) Claude Debussylaan 24, 1082 MD Amsterdam, The Netherlands
- 5) 16 Allée Marconi, L2120 Luxembourg
- 6) 12 rue Léon Thyès, L2636 Luxembourg
- 7) 1 Stokes Place, St. Stephen's Green, Dublin 2
- 8) 16 Hill Street, Edinburgh, EH2 3LD, Scotland
- 9) 80 Georges Street, Edinburgh, EH2 3BU

28 These financial statements were approved by the board on 4 March 2009.

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# COMPANY STATEMENT OF RECOGNISED INCOME AND EXPENSE

for the year ended 31 December 2008

		2008	2007
	<i>Notes</i>	€'000	€'000
Result for the year	<i>H</i>	(17,385)	(3,325)
Foreign exchange translation on equity accounted investees		(396)	-
Total recognised income and expense for the year	<i>H</i>	(17,781)	(3,325)
Attributable to:			
Equity shareholders of the company	<i>A,H</i>	(17,781)	(3,325)

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COMPANY  
BALANCE SHEET

at 31 December 2008

		2008	2007
	Notes	€'000	€'000
<b>Assets</b>			
<i>Non-current assets</i>			
Investment property	C	-	7,054
Property, plant and equipment	D	99	136
Investment in subsidiaries	E	90,548	103,951
Loans to subsidiary undertakings	E	101,926	117,409
Investments in equity accounted investees	E	15,700	22,366
Deferred tax assets	K	5,174	6,388
<b>Total non-current assets</b>		<b>213,447</b>	<b>257,304</b>
<b>Current assets</b>			
Trade and other receivables	F	101,121	115,441
Cash and cash equivalents	G	3,902	5,864
<b>Total current assets</b>		<b>105,023</b>	<b>121,305</b>
<b>Total assets</b>		<b>318,470</b>	<b>378,609</b>
<b>Equity</b>			
Issued share capital	H	5,833	5,833
Share premium	H	201,085	201,085
Other reserves	H	(14,431)	3,350
<b>Total equity – all attributable to equity shareholders</b>		<b>192,487</b>	<b>210,268</b>
<b>Liabilities</b>			
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	I	120,219	138,228
<b>Total non-current liabilities</b>		<b>120,219</b>	<b>138,228</b>
<b>Current liabilities</b>			
Trade and other payables	J	5,673	29,987
Employee benefits		91	126
<b>Total current liabilities</b>		<b>5,764</b>	<b>30,113</b>
<b>Total liabilities</b>		<b>125,983</b>	<b>168,341</b>
<b>Total liabilities and equity</b>		<b>318,470</b>	<b>378,609</b>

On behalf of the board

Carl McCann  
ChairmanPhilip Halpenny  
Finance Director

4 March 2009

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# COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2008

		2008	2008	2007	2007
	Notes	€'000	€'000	€'000	€'000
<b>Result before tax</b>		(16,631)		(4,619)	
<b>Adjustments for:</b>					
Net property valuation movement	C	-		(2,541)	
Depreciation	D	43		8	
Financial income		(5,496)		(1,219)	
Financial expense		8,369		7,913	
Foreign exchange (gain)/loss		(1,567)		3,397	
Share of result of equity accounted investees	E	13,421		(4,896)	
<b>Operating profit before changes in working capital</b>		(1,861)		(1,957)	
(Decrease)/increase in trade and other receivables		8,525		(47,003)	
Decrease/(increase) in trade and other payables		(11,756)		24,857	
<b>Cash expended by operations</b>			(5,092)		(24,103)
Interest paid		(8,751)		(10,322)	
Income tax (paid)/refunded		(31)		302	
			(8,782)		(10,020)
<b>Net cash outflow from operating activities</b>			(13,874)		(34,123)
<b>Cash flows from investing activities</b>					
Acquisition of investment property		-		(7,685)	
Acquisition of subsidiaries		-		(2,756)	
Cash outflow on acquisition of equity accounted investees		-		(27,121)	
Net cash outflow on additional investment in equity accounted investees		(6,731)		-	
Acquisition of plant and equipment		-		(142)	
Proceeds from disposal of investment property		5,789		-	
Interest received		5,496		809	
<b>Net cash inflow/(outflow) from investing activities</b>			4,554		(36,895)
<b>Cash flows from financing activities</b>					
Repayment of borrowings		-		(117,222)	
Proceeds from the drawdown of borrowings		7,200		157,401	
<b>Cash inflows from financing activities</b>			7,200		40,179
<b>Net (decrease) in cash and cash equivalents</b>			(2,120)		(30,839)
Cash and cash equivalents at beginning of year			5,864		36,777
Foreign exchange gain/(loss) on cash and cash equivalents			158		(74)
<b>Cash and cash equivalents at end of year</b>	G		3,902		5,864

## A) Result for the year

The result attributable to equity shareholders in the financial statements of the company was a loss of €17,385,000 (2007: loss €3,325,000). In accordance with Section 148 (8) of the Companies Act, 1963 and Section 7(1A) of the Companies Amendment Act, 1986, the company is availing of the exemption from presenting its individual income statement which forms part of the approved financial statements of the company to the Annual General Meeting and from filing it with the Registrar of Companies.

## B) Employee benefits

The aggregate payroll costs for the company were as follows:

	2008	2007
	€'000	€'000
Wages and salaries	1,403	1,193
Contributions to retirement benefit plans	281	36
Compulsory social security contributions	119	57
	1,803	1,286

The average number of employees of the company in 2008 was 9 (2007: 6). Directors' remuneration details are set out in the corporate governance statement.

## C) Investment property

	2008	2007
	€'000	€'000
Balance at the beginning of the year	7,054	123,460
Other acquisitions in the year	-	7,685
Disposals to subsidiary entities	(7,054)	(126,632)
Net property valuation gains	-	2,541
Balance at end of the year	-	7,054

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# NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

## D) Property, plant and equipment

Year ended 31 December 2008

	Computer equipment	Fixtures & fittings	Total
	€'000	€'000	€'000
<b>Cost</b>			
At beginning of year	27	117	144
Additions in year	6	-	6
At end of year	33	117	150
<b>Depreciation</b>			
At beginning of year	6	2	8
Charge for year	5	38	43
At end of year	11	40	51
<b>Net book value</b>			
At 31 December 2008	22	77	99

Year ended 31 December 2007

	Computer equipment	Fixtures & fittings	Total
	€'000	€'000	€'000
<b>Cost</b>			
At beginning of year	2	-	2
Additions in year	25	117	142
At end of year	27	117	144
<b>Depreciation</b>			
At beginning of year	-	-	-
Charge for period	6	2	8
At end of period	6	2	8
<b>Net book value</b>			
At 31 December 2007	21	115	136



# NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

## E) Non current assets

	Investment in Subsidiaries	Loans to Subsidiaries	Investment in equity accounted investees	Total
	€'000	€'000	€'000	€'000
Balance at 1 January 2007	92,551	60,270	12,642	165,463
Additions during period	-	62,896	274	63,170
Additional investment in period	11,400	-	26,847	38,247
Foreign currency translation adjustment	-	(6,522)	-	(6,522)
Implicit interest charged in year	-	765	-	765
Transfer to subsidiary undertaking	-	-	(22,293)	(22,293)
Share of profit after taxation	-	-	4,896	4,896
<b>Balance at 31 December 2007</b>	<b>103,951</b>	<b>117,409</b>	<b>22,366</b>	<b>243,726</b>
Foreign currency translation adjustment	-	-	(396)	(396)
Additional investment in year	583	-	7,151	7,734
Foreign currency translation (loss)	(13,986)	(16,468)	-	(30,454)
Implicit interest charged in year	-	985	-	985
Share of profit after taxation	-	-	(13,421)	(13,421)
<b>Balance at 31 December 2008</b>	<b>90,548</b>	<b>101,926</b>	<b>15,700</b>	<b>208,174</b>

### *Investment in subsidiaries*

The company's significant subsidiaries are disclosed in note 27.

### *Loans to subsidiaries*

Receivables due from subsidiaries comprise of interest free and interest bearing loan notes repayable in full ten years from the date of issue.

The interest bearing loan notes carry an interest rate of Libor + 1.25% and Euribor +1%.

The fair value of the company's interest free loans is the present value of the expected future cash flows, discounted at the market interest rate. The market interest rate applied was Euribor +1%. Any difference between the cost and fair value of the interest free loans is a deemed capital contribution on initial recognition and recognised as an additional investment net of deferred tax in the parent company. A notional interest charge in respect of the interest free loans is charged on an annual basis, over the term of the loan, up to the nominal value of the loan.

### *Investments in equity accounted investees*

Details of the group's interest in equity accounted investees are given in note 11 to the accounts.

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# NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

## F) Trade and other receivables

	2008	2007
	€'000	€'000
Receivables due from subsidiaries	100,848	112,604
Trade and other receivables	202	1,360
Prepayments	71	278
Other taxation	-	1,199
	<b>101,121</b>	<b>115,441</b>

All amounts due from subsidiaries are repayable on demand.

## G) Cash and cash equivalents

	2008	2007
	€'000	€'000
Bank current balances	290	612
Bank deposit balances	3,612	5,252
Cash and cash equivalents in the statement of cash flows	<b>3,902</b>	<b>5,864</b>

## H) Capital and reserves

Reconciliation of movement in capital and reserves for the year ended 31 December 2008

	Share capital	Share premium	Retained earnings	Currency translation reserve	Total equity
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2008	5,833	201,085	3,350	-	<b>210,268</b>
Total recognised income and expenses	-	-	(17,385)	(396)	<b>(17,781)</b>
Balance at 31 December 2008	<b>5,833</b>	<b>201,085</b>	<b>(14,035)</b>	<b>(396)</b>	<b>192,487</b>

## H) Capital and reserves (continued)

### Reconciliation of movement in capital and reserves for the year ended 31 December 2007

	Share capital	Share premium	Retained earnings	Currency translation reserve	Total equity
	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2007	5,833	201,085	6,675	-	213,593
Total recognised income and expenses	-	-	(3,325)	-	(3,325)
Balance at 31 December 2007	5,833	201,085	3,350	-	210,268

Other share capital details relevant to the company are set out in note 14 to the consolidated financial statements.

## I) Interest-bearing loans and borrowings

This note provides information about the contractual terms of the company's interest-bearing loans and borrowings. For more information about the group's exposure to interest rate and currency risk, see note 22.

	2008	2007
	€'000	€'000
<b>Non-current liabilities</b>		
Unsecured bank loans	120,219	138,228
	120,219	138,228

The terms and conditions of the company's unsecured bank loans are identical to that of the group's. Details of the group's borrowings are given in note 15 to the accounts.

## J) Trade and other payables

	2008	2007
	€'000	€'000
Payables due to subsidiary	4,242	26,667
Trade and other payables	23	233
Accruals	1,136	2,537
Other taxation and social security	272	550
	5,673	29,987

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# NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

## K) Deferred tax asset

### *Recognised deferred tax asset*

Deferred tax is attributable to the following items:

	<b>Assets</b>
<b>At 31 December 2008</b>	<b>2008</b>
	<b>€'000</b>
Tax value of losses carried forward	(2,355)
Tax value of additional investment in subsidiaries	(2,819)
<b>Tax assets</b>	<b>(5,174)</b>
<b>At 31 December 2007</b>	<b>2007</b>
	<b>€'000</b>
Investment property revaluation gains	(147)
Tax value of losses carried forward	(1,843)
Tax value of additional investment in subsidiaries	(4,398)
<b>Tax assets</b>	<b>(6,388)</b>

### *Deferred tax*

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities (ie. whether through use or sale), using the estimated average annual effective income tax rate for the period, when the gain or loss is expected to be settled.

## K) Deferred tax asset (continued)

### Movement in temporary differences during the year ended 31 December 2008

	Balance at beginning of year	Recognised in income	Recognised on investment	Balance at end of year
	€'000	€'000	€'000	€'000
Investment property revaluation gains	(147)	147	-	-
Tax value of losses carried forward	(1,843)	(512)	-	(2,355)
Tax value of additional investment in subsidiaries	(4,398)	1,579	-	(2,819)
	(6,388)	1,214	-	(5,174)

### Movement in temporary differences during the year ended 31 December 2007

	Balance at beginning of year	Recognised in income	Recognised on acquisition	Balance at end of year
	€'000	€'000	€'000	€'000
Investment property revaluation gains	(601)	454	-	(147)
Tax value of losses carried forward	-	(1,843)	-	(1,843)
Tax value of accrued rental income	108	(108)	-	-
Tax value of additional investment in subsidiaries	-	-	(4,398)	(4,398)
	(493)	(1,497)	(4,398)	(6,388)

## L) Financial instruments and risk management

The company has the same risk exposures and policies as those of the group as outlined in note 22.

## M) Related parties

The company has related party relationships with its subsidiaries and equity accounted investees and with its directors, Fyffes plc and Total Produce plc. Details of the company's individual directors together with the total number of Blackrock International Land plc shares they hold are set out in the directors' report on pages 13 to 17. Details of the group's related party transactions are set out in note 25.

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## NOTICE OF ANNUAL GENERAL MEETING

### BLACKROCK INTERNATIONAL LAND PLC

Year ended 31 December 2008

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Blackrock International Land plc will be held at The D4 Ballsbridge Court Hotel, Ballsbridge, Dublin 4, on Thursday, 4 June 2009 at 10.30 am for the following purposes:-

1. To receive and consider Statements of Account for the year ended 31 December 2008 and the reports of the directors and auditors thereon.
2. By separate resolutions to re-elect as directors the following who retire in accordance with the Articles of Association and/or the Combined Code on Corporate Governance and, being eligible, offer themselves for re-election:

(A) Andrew Kelliher (Resolution 2A)

(B) Alan White (Resolution 2B)

3. To authorise the directors to fix the remuneration of the auditors for the year ending 31 December 2009.

As special business to consider and, if thought fit, pass the following resolutions:-

**4. AS AN ORDINARY RESOLUTION:**

"That the directors are hereby unconditionally authorised to exercise all the powers of the company to allot relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount of €1,944,216.36 (194,421,636 shares) provided that this authority shall expire at the earlier of the close of business on the date of the next AGM after the passing of this resolution or 4 September 2010 provided however that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired."

**5. AS A SPECIAL RESOLUTION:**

"That pursuant to Article 8(d) of the Articles of Association and Section 24 of the Companies (Amendment) Act, 1983 the directors are hereby empowered to allot equity securities (as defined by Section 23 of that Act) for cash pursuant to the authority to allot relevant securities conferred on the directors by resolution 4 above in the notice of this meeting as if sub-section (1) of the said Section 23 did not apply to any such allotment provided that this power shall be limited to the matters provided for in Article 8(d)(i) and (ii) of the Articles of Association and provided further that the aggregate nominal value of any shares which may be allotted pursuant to Article 8(d)(ii) may not exceed €583,264.90 (58,326,490 shares) representing 10% of the nominal value of the issued share capital."

**6. AS A SPECIAL RESOLUTION:**

"That the company and/or any subsidiary (as defined by Section 155 of the Companies Act, 1963) of the company is hereby generally authorised to make market purchases (as defined by Section 212 of the Companies Act, 1990) of shares of any class in the company ("shares") on such terms and conditions and in such manner as the directors may determine from time to time but subject to the provisions of the Companies Act, 1990 and to the following restrictions and provisions:-

- (i) The maximum number of ordinary shares (as defined in the Articles of Association of the company) authorised to be acquired pursuant to this resolution shall not exceed 58,326,490 (representing 10% of the issued share capital);
- (ii) the minimum price which may be paid for any share shall be an amount equal to the nominal value thereof;
- (iii) the maximum price which may be paid for any share (a "relevant share") shall be an amount equal to 105% of the average of the five amounts resulting from determining whichever of the following (a), (b) or (c) specified below in relation to the shares of the same class as the relevant share shall be appropriate for each of the five business days immediately preceding the day on which the relevant share is purchased, as determined from the information published in the Irish Stock Exchange Daily Official List reporting the business done on each of those five business days:
  - (a) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or
  - (b) if there shall be only one dealing reported for the day, the price at which such dealing took place; or
  - (c) if there shall not be any dealing reported for the day, the average of the high and low market guide prices for that day;

and if there shall be only a high (but not a low) or a low (but not a high) market guide price reported, or if there shall not be any market guide price reported, for any particular day then that day shall not count as one of the said five business days for the purposes of determining the maximum price. If the means of providing the foregoing information as to dealings and prices by reference to which the maximum price is to be determined is altered or is replaced by some other means, then a maximum price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent;

- (iv) the authority hereby granted shall expire at the close of business on the date of the next AGM of the company or 4 September 2010, whichever is the earlier, unless previously varied, revoked or renewed by special resolution in accordance with the provisions of Section 215 of the Companies Act, 1990. The company or any such subsidiary may, before such expiry, enter into a contract for the purchase of shares which would or might be executed wholly or partly after such expiry and may complete any such contract as if the authority conferred hereby had not expired."

#### **7. AS A SPECIAL RESOLUTION:**

"That, subject to the passing of resolution 6, for the purposes of Section 209 of the Companies Act, 1990, the reissue price range at which any treasury shares (as defined by the said Section 209) for the time being held by the company may be reissued off-market shall be as follows:-

- (i) The maximum price at which a treasury share may be reissued off-market shall be an amount equal to 120 per cent of the "appropriate price"; and
- (ii) the minimum price at which a treasury share may be re-issued off-market shall be the nominal value of the share where such a share is required to satisfy an obligation under an employee share scheme (as defined in the Companies (Amendment) Act 1983) operated by the company or, in all other cases, an amount equal to 95% of the appropriate price.

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## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

For the purposes of this resolution the expression "appropriate price" shall mean the average of the five amounts resulting from determining whichever of the following (a), (b) or (c) specified below in relation to shares of the class of which such treasury share is to be reissued shall be appropriate in respect of each of the five business days immediately preceding the day on which the treasury share is reissued, as determined from information published in the Irish Stock Exchange Daily Official List reporting the business done in each of those five business days:-

- (a) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or
- (b) if there shall be only one dealing reported for the day, the price at which such dealing took place; or
- (c) if there shall not be any dealing reported for the day, the average of the high or low market guide prices for the day;

and if there shall be only a high (but not a low) or a low (but not a high) market guide price reported, or if there shall not be any market guide price reported, for any particular day then that day shall not count as one of the said five business days for the purposes of determining the appropriate price. If the means of providing the foregoing information as to dealings and prices by reference to which the appropriate price is to be determined is altered or is replaced by some other means, then the appropriate price shall be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent.

The authority hereby conferred shall expire at the close of business on the day of the next AGM of the company or 4 September 2010, whichever is the earlier, unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act, 1990."

### 8. AS A SPECIAL RESOLUTION:

"That it is hereby resolved, with effect from the implementation into Irish Law of Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders and listed companies, the provision in Article 55(a) allowing for the convening of an Extraordinary General Meeting by at least 14 Clear Days' notice (where such meetings are not convened for the passing of a special resolution) shall continue to be effective."

### 9. AS A SPECIAL RESOLUTION:

"That the Articles of Association of the company be and are hereby amended by:

- (a) the addition of the following definitions to Article 1(b) of the Articles of Association of the company:-  
"relevant system" the meaning given in the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (SI No. 68/1996);

"properly authenticated dematerialised instruction" the meaning given in the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (SI No. 68/1996);";

- (b) the deletion of Articles 71 to 75 (inclusive) and the substitution in their place of the following new articles:

***71. Appointment of Proxy***

- (a) Every member entitled to attend and vote at a general meeting may appoint a proxy or proxies to attend, speak and vote on his behalf provided that, where a shareholder appoints more than one proxy in relation to a general meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by him. The appointment of a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be signed by or on behalf of the appointer. The signature on such appointment need not be witnessed. A body corporate may sign a form of proxy under its common seal, under the hand of a duly authorised officer thereof or in such manner as the directors may approve. A proxy need not be a member of the company. The appointment of a proxy in electronic form shall only be effective in such manner as the directors may approve.
- (b) Without limiting the forgoing, in relation to any shares which are held in uncertificated form, the directors may from time to time permit appointments of a proxy to be made by means of electronic communication in the form of an Uncertificated Proxy Instruction, (that is, a properly authenticated dematerialised instruction, and or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the company as the directors may prescribe in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to the facilities and requirements of the relevant system concerned); and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and or other instruction or notification) is to be treated as received by the company or such participant. The directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of a person sending that instruction to send it on behalf of that holder.

***72. Form of Proxy***

The directors may send, at the expense of the company, by post, electronic mail or otherwise, to the members forms for the appointment of a proxy (in such form as the directors may approve and with or without stamped envelope for their return) for use at any general meeting or at any class meeting either in blank or nominating any one or more of the directors or any other persons in the alternative. The proxy form must make provision for three-way voting on all resolutions intended to be proposed, other than resolutions which are merely procedural. If for the purpose of any meeting invitations to appoint as proxy a person or one of the number of persons specified in the invitations are issued at the expense of the company, such invitations shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy but the accidental omission to issue such invitation to, or the non-receipt to such invitations by, any member shall not invalidate the proceedings at any such meeting.

***73. Bodies corporate acting by representatives at meetings***

Any body corporate which is a member of the company may, by resolution of its directors or other governing body, authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the company or any class of members of the company, and any person so authorised shall be entitled to exercise the same powers on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual member of the company. Where a member appoints more than one representative in relation to a general meeting, each representative must be appointed to exercise rights attached to a different share or shares held by the member.

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## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### 74. Receipt of proxy appointment

Where the appointment of a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority or any other proof or confirmation of that power or authority acceptable to the directors is to be received by the company:-

- (a) in physical form it shall be deposited at the office or (at the option of the member) at such other place or places (if any) in Ireland as is specified for that purpose in, or by way or note to, the notice convening the meeting, or
- (b) in electronic form, it may be so received where an address has been specified by the company for the purpose of receiving electronic communications:-
  - (i) in the notice convening the meeting; or
  - (ii) in any appointment of proxy sent out by the company in relation to the meeting; or
  - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting;

provided it is so received by the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid PROVIDED THAT in the case of a meeting which is adjourned to, or a poll which is to be taken on, a date which is less than seven days after the date of the meeting which was adjourned or at which the poll was demanded, it shall be sufficient if the appointment of proxy and any other authority and certification thereof as aforesaid is so received by the company at the commencement of the adjourned meeting or the taking of the poll and an appointment of proxy relating to more than one meeting (including any adjournment thereof) having once been so received for the purposes of any meeting shall not require to be delivered, deposited or received again for the purposes of any subsequent meeting to which it relates.

### 75. Effect of proxy appointment

A proxy shall have the right to exercise all or any of the rights of his appointer, or (where more than one proxy is appointed) all or any of the rights attached to the shares in respect of which he has appointed to the proxy to attend, to demand or join in demanding a poll and to speak and vote at a general meeting of the company. Unless his appointment provides otherwise, a proxy may vote or abstain in his discretion on any resolution put to the vote.

### 75A. Effect of revocation of proxy or of authorisation

A vote given or poll demanded in accordance with the terms of an appointment of a proxy or a resolution authorising a representative to act on behalf of a body corporate shall be valid notwithstanding the previous death, insanity or winding up of the principal or revocation of the proxy or of the authority under which the proxy or authority was executed or the transfer of the share in respect of which the proxy or authority is given, if no intimation in writing (whether in electronic form or otherwise) of such death, insanity, winding up, revocation or transfer as aforesaid is received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used or the representative acts PROVIDED HOWEVER that where such intimation is given in electronic form it shall have been received by the company at least 24 hours (or such lesser time as the directors may specify) before the commencement of the meeting."

**N. Quigley**

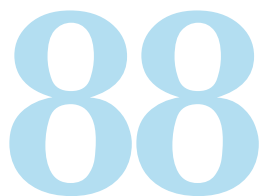
Secretary

1 Stokes Place, Dublin 2

30 April 2009

**Notes**

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of the company) to attend, speak and vote in his/her place. Completion of a form of proxy will not affect the right of a member to attend, speak and vote at the meeting in person.
2. To be valid, forms of proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with the company's registrar, Computershare Services (Ireland) Limited, P.O. Box 954, Sandyford, Dublin 18 by not later than 10.30 a.m. on Tuesday, 2 June 2009.
3. The company, pursuant to Regulation 14 of the Companies Act, 1990 (Uncertified Securities) Regulations, 1996, specifies that only those shareholders registered in the register of members of the company as at 6.00pm on Tuesday, 2 June 2009 (or in the case of an adjournment as at 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Services (Ireland) Limited (ID 3RA50) by 10.30 a.m. on Tuesday, 2 June 2009. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.



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5. As of the date of this Notice, there are no outstanding options in respect of the issue of new shares by the company. Further no shares are held as treasury shares by the company.
  
  6. Biographical details for the directors standing for re-election at the AGM are set out in the accompanying Annual Report. Each of the directors has been subject to the evaluation process recommended by the 2006 FRC Combined Code. On this basis, the Chairman and Board are pleased to recommend the re-election of those directors.







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