

Blackrock delivers strong 2007 performance

Blackrock International Land plc has released its preliminary results for the twelve months ended 31 December 2007.

Highlights

- Net assets increased by 6.2% after adjusting for the impact of December acquisition costs and the translation effect of foreign exchange during the year.
- Reported net assets increased by 4.2% during the year to €230.3 million.
- Gross property assets at year end amounted to €439.6 million.
- Total investment expenditure during the year, including joint ventures and associate, was €140.7 million.
- Property sales during the year amounted to €38.4 million.
- Valuation uplifts for the year, net of the translation effect of foreign exchange, amounted to €5.3 million.
- Net assets per share at year end were €0.3948 compared to €0.3788 last year.

Commenting on the results, Blackrock International Land plc chairman, Carl McCann, said:

“Blackrock has delivered a positive performance in 2007. This result reflects the group’s successful development activity during the year and the sectoral and geographic diversity of its property portfolio. With the significant potential in its development assets, the strength of its existing investments and its capacity to acquire further quality assets, Blackrock is well placed to continue to pursue its goals during 2008.”

Blackrock International Land plc
29 January 2008

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Blackrock International Land plc

Preliminary results to 31 December 2007

Operating review

Blackrock has had a busy and productive year. Net assets increased by 6.2%, after adjusting for acquisition costs of €1.9 million not reflected in year-end valuations and excluding the translation impact of the foreign exchange movement during the year of €2.4 million. Reported net assets increased by 4.2% to €30.3 million. Despite the prevailing market conditions, particularly in the second half, valuation uplifts for the year, net of the impact of foreign exchange translation, amounted to €5.3 million.

During 2007, the group added significantly to its portfolio, with year end property assets standing at €439.6 million, up almost 20% over the period. Gross investment expenditure, including our share of joint ventures and associate, amounted to €40.7 million. The group also recorded a number of property disposals, realising €38.4 million on sales during the year. Significant progress was also made on a number of the group's development projects.

Investment expenditure

The main investment transactions undertaken during the year were as follows:

- Investment of a further €13.8 million in the group's associate, Cornerstone City Development Sarl, to construct three new office buildings, comprising a total area of 15,300m², in the City of London close to the Bank of England. Blackrock has committed a total of €23 million for a 37.5% stake in the venture, of which €20.4 million had been invested by year end. Construction is well under way on these three projects and progress is in line with plans.
- Investment of €5.7 million in Duo Capital Sarl, a 50:50 joint venture with EuroCapital Property, that acquired the newly-constructed 14,400m² Olympiades office building in the Evere district of Brussels. Total outlay on the property amounted to €41.7 million. Letting activity is ongoing. The vendor has provided a two year rental guarantee from July 2007.

- Purchase of 120 acres of agricultural land in the Corrstown area of north County Dublin for €13.6 million. This holding is well located to take advantage of the significant development expected to take place in the north Dublin area in the next few years.
- Purchase of an 8,300m² office and warehouse investment on 6 acres in Milton Keynes for €2.5 million. This investment will benefit from active management and also provides an attractive longer term development opportunity in the context of the anticipated future expansion of Milton Keynes.
- Investment of €5.6 million in Tilder Holdings Limited, a 50:50 joint venture with Total Produce plc, that acquired 135 acres of land with development potential in The Ward area of north County Dublin for €25 million. Just over 36 acres of these lands, which directly adjoin the group's 120 acre holding at Corrstown, are zoned for agri-business and it is envisaged that this will be developed to provide new facilities for Total Produce, including replacement premises for its existing operations in central Dublin. The remaining 99 acres are also targeted for development.
- Investment of €3.3 million in South East Edinburgh Development Company, a 50:50 joint venture with Applecross Properties Limited and Esk Properties Limited, that acquired approximately 300 acres of agricultural land south of Edinburgh. The vendor will be entitled to receive additional consideration over time, equal to 50% of the open market value, net of all costs, of any of the lands for which detailed planning consents are received.
- Investment in Apple Rock Two Limited, a 50:50 joint venture with Applecross Properties Limited, that acquired the Jewel & Esk Valley College in Eskbank, south of Edinburgh, for residential development for €32.5 million. An initial payment of €13.4 million was funded from bank borrowings. It is anticipated that the group's equity contribution to this joint venture will not exceed €5.2 million.
- Purchase of a 9,520m² high specification office investment in Amsterdam for €25.7 million. With passing rents below market values, the yield is expected to rise above 7% in the short-term. There is the possibility of further development on part of the property.
- Purchase of a 3,900 sq. m² modern, detached industrial facility on 3.4 acres in Clonshaugh Business and Technology Park, Dublin for €7.7 million. The investment directly adjoins the group's existing 330,000 sq. ft. warehouse and offices in the same business park, the former Gateway premises. The property will benefit from active management and is well placed to generate strong rental returns. Planned redevelopment and infrastructural improvements in the immediate vicinity create significant growth opportunities for the business park.

Disposals

The principal disposals made during the year were as follows:

- Sale of two office buildings in Nijmegen in the Netherlands for €4.8 million.
- Sale of the former Edinburgh Fruit Market and adjacent properties to a 50:50 joint venture with Applecross Properties Limited for €27.8 million. The group's equity contribution into the joint venture was €4.9 million.
- Sale of a three acre site at Sighthill in Edinburgh for €5.8 million.

Ongoing Activities

Since the year end, Blackrock has announced that its 50:50 joint venture with Lagan Developments (Holdings) Limited has started construction of the 14,865m² Navan Retail Park on its 28.8 acre site in Navan, Co. Meath. The project is expected to have a gross development value of over €70 million.

Since flotation in May 2006, the group has built up a strong portfolio of well-located, high quality investment and development properties with the potential to deliver significant valuation uplifts for shareholders in the next few years. It has also established extensive and valuable links with leading property advisors and first-class joint venture partners. Management remains focused on maximising the potential in our existing properties and on acquiring further quality assets. The group remains on track to achieve its medium term goals.

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.

Period of operation

The accompanying financial statements relate to the year ended 31 December 2007. The comparative figures relate to the period from incorporation on 3 March 2006 to 31 December 2006.

Net rental income

Gross rental income was €15.7 million (2006: €4.6 million) and property outgoings were €2.7 million (2006: €0.7 million), giving a net rental income for the period of €13.0 million (2006: €3.8 million).

Property valuation

As a result of the group's investment and development activities during the year and taking into account independent valuations of its portfolio at the year end, total property assets at 31 December 2007, including those accounted for in joint ventures and associate, amounted to €439.6 million (2006: €368.6 million). These are analysed as follows:

	Ireland	UK	Continental Europe	Total
	€m	€m	€m	€m
Value at 1 January 2007	158.4	146.1	64.1	368.6
Investments during year	39.8	32.9	31.4	104.1
Disposals during year	-	(33.6)	(4.8)	(38.4)
Valuation uplifts, net of effect of foreign exchange translation	<u>12.1</u>	<u>(7.7)</u>	<u>0.9</u>	<u>5.3</u>
Value at 31 December 2007	<u>210.3</u>	<u>137.7</u>	<u>91.6</u>	<u>439.6</u>

The valuation uplifts, net of the effect of foreign exchange translation, of €5.3 million is accounted for in the financial statements as follows:

	€m
Consolidated income statement	
Net property valuation gain	2.4
Share of profit of joint venture and associate	4.8
Statement of recognised income and expense	
Foreign exchange translation on associate	<u>(1.9)</u>
	<u>5.3</u>

The year-end valuations do not attribute any value to acquisition costs of €1.9 million incurred on the purchase of investment properties in December 2007.

Administration expenses

Administration expenses for the year were €5.5 million (2006: €2.3 million), comprised primarily of remuneration of executive and administrative personnel, establishment and information technology costs and professional fees.

Financial income

Financial income was €0.5 million (2006: €0.3 million), comprising interest earned on cash balances held on deposit during the year, less losses on translation of sterling deposits.

Financial expense

Financial expense was €2.0 million (2006: €0.9 million) comprising interest and charges incurred on bank borrowings amounting to €1.8 million, less gains on translation of sterling loans amounting to €0.8 million.

Taxation

The tax charge of €1.7 million (2006: €5.1 million) includes an amount of €0.9 million (2006: €4.8 million) relating to deferred tax, which 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.

Earnings per share

Basic and diluted earnings per share for the year were €1.93 cent.

Dividend

No dividend has been declared for the year. It is the stated aim of the company to achieve capital growth and it is not anticipated that dividends will be paid in the medium term.

Shareholders' funds

Shareholders' funds at 31 December 2007 amounted to €230.3m, resulting in basic and diluted net asset values per share of €39.48 cent, an increase of 4.2% in the year.

Net borrowings

The group's net borrowings amounted to €90.6 million at 31 December 2007, giving a gearing ratio of 43%. The group has €62 million additional bank facilities in place to fund further expansion.

Looking forward

The outlook remains as expressed in the group's December trading statement, which stated that, while allowing for further value enhancing activities which will continue to receive priority this year, it seems prudent not to assume any significant net asset growth in the first half of 2008 at this stage.

29 January 2008

Consolidated income statement
for the year ended 31 December 2007

	For year ended 31 December 2007		From date of incorporation to 31 December 2006	
	€000	€000	€000	€000
Gross rental and related income				
		15,689		4,569
Property outgoings		<u>(2,670)</u>		<u>(730)</u>
Net rental and related income		13,019		3,839
Net property valuation gain		<u>2,345</u>		<u>18,051</u>
Net property and related income		15,364		21,890
Administrative expenses		<u>(5,510)</u>		<u>(2,341)</u>
Operating profit		9,854		19,549
Share of profit of joint ventures	4,756		68	
Share of profit of associate	<u>-</u>		<u>-</u>	
		4,756		68
Financial income	490		314	
Financial expense	<u>(2,000)</u>		<u>(868)</u>	
Net financing cost		<u>(1,510)</u>		<u>(554)</u>
Profit before tax		13,100		19,063
Income tax expense				
- current	(830)		(373)	
- deferred	<u>(907)</u>		<u>(4,750)</u>	
Net income tax		<u>(1,737)</u>		<u>(5,123)</u>
Profit for the year		<u>11,363</u>		<u>13,940</u>
Attributable to:				
Equity shareholders of the company		11,264		14,003
Minority interest		<u>99</u>		<u>(63)</u>
Profit for the year		<u>11,363</u>		<u>13,940</u>
Basic earnings per share (euro)		<u>1.93</u>		<u>2.40</u>
Diluted earnings per share (euro)		<u>1.93</u>		<u>2.40</u>

Consolidated statement of recognised income and expense
for the year ended 31 December 2007

	For year ended 31 December 2007	From date of incorporation to 31 December 2006
	€000	€000
Profit for the year	11,363	13,940
Foreign exchange translation on associate	<u>(1,890)</u>	—
Total recognised income and expense for the year	<u>9,473</u>	<u>13,940</u>
Attributable to:		
Equity shareholders of the company	9,374	14,003
Minority interest	<u>99</u>	<u>(63)</u>
Total recognised income and expense for the year	<u>9,473</u>	<u>13,940</u>

Consolidated balance sheet
at 31 December 2007

	31 December 2007	31 December 2006
	€000	€000
Assets		
Non-current assets		
Investment property	380,740	355,984
Property, plant and equipment	140	2
Investment in joint ventures	38,431	4,194
Investment in associate	20,403	8,448
Deferred tax assets	<u>2,654</u>	<u>209</u>
Total non-current assets	<u>442,368</u>	<u>368,837</u>
Current assets		
Trade and other receivables	10,775	2,349
Income tax receivable		12
Cash and cash equivalents	<u>9,714</u>	<u>37,502</u>
Total current assets	<u>20,489</u>	<u>39,863</u>
Total assets	<u>462,857</u>	<u>408,700</u>
Equity		
Issued share capital	5,833	5,833
Share premium	201,085	201,085
Retained earnings	<u>23,376</u>	<u>14,003</u>
Total equity attributable to:		
Equity shareholders of the company	230,294	220,921
Minority interest	<u>141</u>	<u>42</u>
Total equity	230,435	220,963
Liabilities		
Non-current liabilities		
Interest bearing loans and borrowings	198,878	119,963
Deferred tax liabilities	<u>20,362</u>	<u>17,010</u>
Total non-current liabilities	<u>219,240</u>	<u>136,973</u>
Current liabilities		
Trade and other payables	11,605	50,595
Employee benefits	132	94
Interest bearing loans and liabilities	<u>1,445</u>	<u>75</u>
Total current liabilities	<u>13,182</u>	<u>50,764</u>
Total liabilities	<u>232,422</u>	<u>187,737</u>
Total liabilities and equity	<u>462,857</u>	<u>408,700</u>
Net asset value per share (euro cent):	<u>39.48</u>	<u>37.88</u>

Consolidated statement of cash flows under indirect method
for the year ended 31 December 2007

	December 2007		December 2006	
	€000	€000	€000	€000
Profit before tax	13,100		19,063	
<i>Adjustments for:</i>				
Net property valuation (gain)	(2,345)		(18,051)	
Depreciation	15			
Profit on disposal of plant and equipment	-		(2)	
Financial income	(490)		(314)	
Financial expense	2,000		868	
Share of profit of joint ventures and associate	<u>(4,756)</u>		<u>(68)</u>	
Operating profit before changes in working capital	7,524		1,496	
Increase in trade and other receivables	(2,970)		(2,061)	
Increase in trade and other payables	<u>6,057</u>		<u>2,628</u>	
Cash generated from operations		10,611		2,063
Interest paid	(11,331)		(883)	
Income tax refunded / (paid)	<u>279</u>	<u>(11,052)</u>	<u>(382)</u>	<u>(1,265)</u>
Net cash inflow from operating activities		(441)		798
Acquisition of investment property	(107,077)		(75,737)	
Acquisition of plant and equipment	(145)			
Net cash outflow on acquisition of joint ventures and associate	(43,326)		(10,169)	
Overdraft acquired as part of the Fyffes property undertaking	-		(18)	
Acquisition of subsidiary property undertaking	-		(5,823)	
Proceeds from disposal of property, plant & equipment	-		29	
Proceeds from disposal of investment property	32,527			
Interest received	<u>912</u>		<u>206</u>	
Net cash (outflow) from investing activities		(117,109)		(91,512)
Cash flows from financing activities				
Proceeds from the issue of share capital	-		82,742	
Repayment of borrowings	(83,341)		(62,590)	
Proceeds from the drawdown of borrowings	<u>173,417</u>		<u>108,065</u>	
Net cash inflow from financing activities		<u>90,076</u>		<u>128,217</u>
Net (decrease) / increase in cash and cash equivalents		(27,474)		37,503
Cash and cash equivalents at beginning of year		37,503		-
Foreign exchange on cash and cash equivalents		<u>(315)</u>		<u>-</u>
Cash and cash equivalents at year end		<u>9,714</u>		<u>37,503</u>