DEVELICA DEUTSCHLAND LTD:

FINAL RESULTS FOR 12 MONTHS TO 31 MARCH 2008

HIGHLIGHTS

- Company became fully invested over period taking total property acquisitions, including costs, to €1.065bn
- Annualised rental income currently stands at €70.4m against total interest and amortisation charges of €50.4m
- Rental income set to continue rising reflecting both high proportion of index-linked tenant leases and long term fixed rate debt
- 70%+ of rent roll derived from leading international and national companies
- Year end valuation shows modest decline to €1.007bn which includes write-down of value attributed to tax-efficient corporate structures
- Company produced operating surplus of approximately €10.9m before non-cash write-downs
- Following year end valuation average loans to value stood at 84.9% against agreed average loan to value covenant across portfolio of 88.1%
- Net asset value per share declined to 70.07 cents against 97.82 cents
- Pre-tax loss of €63.3m reflecting valuation write-downs and marking to market of interest rate swaps
- In current conditions Board to conserve cash reserves and not pay further interim dividend.

“The next 12 months are likely to be challenging, and with that in mind the Board continues to review its options to add shareholder value, but in the meantime we have the benefit of both robust cash flow and high quality assets,” Derek Butler, Chairman.

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Chairman's Statement

I am pleased to present the Report and Financial Statements for the Company for the year to 31 March 2008. This has been a year of solid achievement for your Company in difficult conditions.

As shareholders will know the year under review has been difficult for all companies in the sector. Despite this Develica Deutschland effectively became fully invested over the period taking the total invested to approximately €1.065bn including acquisition costs.

Shareholders will also be aware that during the year to 31 March 2008 and over the last few months there has been significant weakening in financial markets worldwide. However, over the past fortnight there has been increasing turmoil in the financial markets which inevitably will have a detrimental impact on asset values across the world, including Germany.

However Germany's economy over the past six months has performed robustly compared with other Eurozone countries. Clearly it is difficult at this stage to predict with any confidence how long the current malaise will continue, but shareholders should be aware that we have an extremely strong portfolio generating healthy cashflows capable of withstanding all but the most extreme market conditions. I am confident that the commercial real estate market and the portfolio we have created will provide value when markets inevitably begin to stabilise and to strengthen.

Our business is investment in commercial real estate. In developing that business we have assembled a high quality and diverse property portfolio and it is these qualities which, have, in part, contributed to a relatively small reduction in its underlying value at 31 March 2008. The Group's rental and related income derived from the portfolio is substantial and exceeds its administrative and net interest costs by more than €10.9 million. To enhance stability, interest costs were fixed by securing interest rate swaps although the value of these swaps is inevitably volatile.

Against this background it is a credit to the Investment Manager that the net value of the investment portfolio over the period 30 September 2007 to 31 March 2008, taking into account purchases during the period, only declined to €1,007,692,300. This decline is made up of a relatively modest fall in actual property values but the Board feels it is prudent, in the current market conditions, to also write down the element of value previously attributed to the use of selling assets through a corporate structure.

These two elements, together with the €14.9m fair value adjustment to our interest rate swaps, has resulted in a pre-tax loss of €63.3m for the year. As a result the Company's Net Asset Value per share at 31 March 2008 was 70.07 cents compared to 97.82 cents at 31 March 2007. Since the year end, however, the fair value of our swaps now shows a profit of €7.5m.

The other major issue affecting real estate investment companies like Develica Deutschland relates to gearing and banking covenants. When we issued the Admission Document prior to listing on AIM in May 2006 we indicated that a major element of our strategy was the use of borrowings in relation to our investments. We stated that the loan to value ratio was expected to be approximately 85% of the aggregate value of property acquisitions.

Following the year end valuation our average loans to value stood at 84.9% compared to an average loan to value covenant of 88.1% across the portfolio agreed with the Banks on acquisition. Since this date we have been notified of a breach relating to a LTV convenant but negotiations have led to a satisfactory outcome culminating in the breach being fully rectified.

Importantly, our investment portfolio currently generates gross annual income of approximately €70.4m against total interest and amortisation charges of €50.4m.We have strong and positive cash flow, are meeting all interest and amortisation covenants and will continue to do so for the foreseeable future.

In these difficult times with increasing pressure on valuations the Board is mindful that some of our later acquisitions will not have benefited from the growth seen in the earlier part of the cycle and are therefore more exposed to loan to value issues than those acquired earlier. We have, through discussions with our lenders, amended some loan to value covenants. We continue to work closely with the lenders to ensure any covenant issues, should they arise, are dealt with promptly and therefore these issues are monitored constantly so we can preserve shareholder value.

We anticipate that cash flows will continue to rise reflecting both the nature of our portfolio, comprising a high proportion of indexed tenant leases, and our long term fixed rate debt. As shareholders will see from the accompanying Investment Manager's Review we have an extremely secure income stream, with more than 70% of the rent roll derived from leading international and national companies. Almost a third of the rent roll is generated from leases of more than eight years with only 8% of income from leases of two years or less. Across the portfolio the average weighted lease length as at 31 March 2008 was 6.6 years.

Since the 31 March 2008 property valuation values have declined further, although there are very conflicting views on the actual extent of this decline. We are not able, at this stage, to give shareholders a clear picture but we will report in more detail when we publish our half year results which will include an independent valuation of the portfolio as at 30 September 2008.

The current uncertainty over values reflects the lack of real estate activity in Europe as buyers hold off in the hope of price reductions and sellers are unwilling to sell at likely bid prices. This stand-off between buyer and seller provides valuers with very little reliable evidence of real estate values so we believe that they are currently adopting a more cautious approach to property valuations, and may continue to do so for the foreseeable future.

Shareholders will be aware of the current share price. This is extremely disappointing both for shareholders and management alike. While we recognise that current valuations have declined since the end of March we believe the share price has over reacted in falling to its current level. It is particularly disappointing when one considers that the portfolio is generating gross annual income of more than €70m and currently is comfortably servicing its interest obligations.

Against this background of uncertain markets and pressure on valuations the Board continues to review the portfolio and, in the right circumstances, is looking to make certain key disposals. This is discussed in greater detail in the Investment Manager's Review. In light of the current conditions the Board has taken the decision to conserve the Company's cash reserves and not pay a further interim dividend at this time.

I am sorry to report that Russell Sanderson, having reached the age of 75, has, in accordance with good corporate governance, announced his intention to stand down from the Board at the AGM. I thank him for his support and contribution to the Company.

The next 12 months are likely to be challenging and with that in mind the Board continues to review its options to add shareholder value, but in the meantime we have the benefit of both robust cash flow and high quality assets.

Derek Butler
Chairman
23 September 2008

Investment Manager's Review

The swing from a very buoyant market to these uncertain conditions has meant that the year under review has been very challenging. As reported in the September 2007 Interim Statement, we acquired approximately €500m of new properties during the six months to 30 September 2007 and approximately a further €100m over the second half of the year. This, in part, reflected the market slowdown but it should also be noted that the majority of this €100m of acquisitions represented commitments entered into prior to September 2007.

As a result of this activity the total funds invested as at 31 March 2008 amounted to €1.08bn, including acquisition costs. The portfolio now comprises 103 properties and more than 500 tenants. Although the recent upheavals in the financial markets has brought valuations under pressure, the fall in the underlying value of our portfolio at the end of March 2008 was less than the perceived decline in the market generally.

Having achieved the initial objective of assembling a diverse core investment portfolio, we commenced an investment strategy aimed at acquiring higher yielding properties with greater asset management potential to provide further balance and diversity, both of property and income.

We embarked on this strategy for two reasons. Firstly, it was apparent during the year under review that some areas of the German real estate investment market were in danger of over-heating. Secondly, having initially purchased mainly prime assets it was felt prudent and sensible to balance the portfolio and take advantage of the higher returns available from investments in more diverse locations.

Accordingly, we acquired several portfolios with a range of assets producing higher initial returns combined with more immediate asset management potential. This calculated change in our acquisition strategy has boosted average gross rental yields across the portfolio from 6.3% to 6.5% and contributes towards the Company's significant and positive cash flow.

It was always the objective to create a balanced commercial investment portfolio with strong income characteristics and this has been successfully achieved. The structure of the portfolio reflects a traditional mix of Offices (53% by value), Retail (22%) and Logistics (25%) located evenly throughout the more prosperous regions of the former West Germany. There is minimal exposure to the former East.

The income is also well diversified and secure. Leading tenants include Deutsche Telecom, Mercedes Benz, Hewlett Packard, Avarto, and REWE. The top 25 tenants account for over 70% of the income.

Annual gross rental income now exceeds €70m enhanced during the year by €730,000 of indexations (over 80% of the rental income has some form of inflation escalator) and €565,000 in new lettings. The vast majority of tenants whose leases expired during the period have taken new leases and arrears are minimal. Vacancy across the portfolio is only about 2%. All this demonstrates our drive to enhance the quantity and quality of the portfolio's income profile.

With the structure and income profile of the portfolio established and well diversified, there is now a strong focus on asset management to further enhance returns. We are actively engaged in identifying opportunities within our existing tenant base for lease re-gearing, renewals, relocations, property improvement, extensions and other initiatives that will release latent value in the portfolio. Over the year under review our active asset management strategy resulted in new lettings and lease renewals covering almost 10,000 sq m.

These initiatives have not only helped drive returns over the last year but, taken together over the next 12 months and beyond, will also continue to deliver a meaningful contribution to overall performance. We also continue to investigate other ways of generating additional income from the portfolio.

Asset management has also encompassed the consideration of sales. Selective sales of assets and 'special purchaser' disposals (e.g. sales to tenants or adjoining owners) are already in the pipeline amounting to approximately €100m. Perhaps more significantly, we have reviewed the entire portfolio and identified those properties we believe are likely to underperform over the medium term. Our strategy is to sell those investments when market conditions permit. The cash generated from such sales could be used to either reduce gearing or provide an additional cushion against further loan to value covenant pressures. Alternatively, if market conditions are favourable there may be opportunities to reinvest.

In conclusion, I believe that the portfolio is very well placed especially in terms of its composition and asset management potential to deliver strong returns relative to the market and particularly when the current hiatus in the credit markets has resolved.

Richard Thirkell
Develica Deutschland Management Limited
Investment Manager
23 September 2008

Consolidated Statement of Operations
For the year ended 31 March 2008

	Note	2008 €	2007 €
Rental income		57,615,370	5,682,420
Service charge income		5,205,151	563,962
Property expenses		(6,684,252)	(702,562)
Net rental income		**56,136,269**	**5,543,820**
Fair value adjustment on investment property	*10*	(60,535,626)	2,999,214
Administrative and other expenses	*6*	(7,570,608)	(3,544,625)
Operating (loss)/profit		**(11,969,965)**	**(4,998,409)**
Finance income	*7*	1,472,996	5,454,669
Fair value adjustment on interest rate swap	*16*	(14,850,096)	(206,992)
Finance costs	*7*	(37,993,393)	(3,209,581)
Net (loss)/profit before tax		**(63,340,457)**	**7,036,505**
Taxation	*8*	(1,048,213)	(1,724,973)
(Loss)/profit for the year attributable to equity shareholders	*9*	**(64,388,670)**	**5,311,532**
Basic and diluted earnings per Ordinary Share		(25.76) cents	2.1 cents

All items in the above statement are derived from continuing operations.

Consolidated Statement of Changes in Equity
For the year ended 31 March 2008

	Share Capital €	Share Premium €	Distributable Reserve €	Retained Earnings €	Total €
At 31 March 2007	**2,500,000**	**-**	**236,646,430**	**5,411,532**	**244,557,962**
Loss attributable to equity holders	-	-	-	(64,388,670)	(64,388,670)
Dividends Paid	-	-	-	(4,999,961)	(4,999,961)
Balance at 31 March 2008	**2,500,000**	**-**	**236,646,430**	**(63,977,099)**	**175,169,331**

Consolidated Statement of Changes in Equity
For the year ended 31 March 2007

	Share Capital €	Share Premium €	Distributable Reserve €	Retained Earnings €	Total €
At 18 May 2006	-	-	-	-	-
Issue of ordinary shares	2,500,000	247,500,000	-	-	250,000,000
Share issue costs	-	(10,853,570)	-	-	(10,853,570)
Transfer to distributable reserve	-	(236,646,430)	236,646,430	-	-
Profit attributable to equity holders	-	-	-	5,311,532	5,311,532
Share-based payment	-	-	-	100,000	100,000
Balance at 31 March 2007	**2,500,000**	-	**236,646,430**	**5,411,532**	**244,557,962**

Company Statement of Changes in Equity
For the year ended 31 March 2008

	Share Capital €	Share Premium €	Distributable Reserve €	Retained Earnings €	Total €
At 31 March 2007	**2,500,000**	-	**236,646,430**	**3,472,222**	**242,618,652**
Loss attributable to equity holders	-	-	-	(68,006,358)	(68,006,358)
Dividends paid	-	-	-	(4,999,961)	(4,999,961)
Balance at 31 March 2008	**2,500,000**	-	**236,646,430**	**(69,534,0985)**	**169,612,333**

Company Statement of Changes in Equity
For the year ended 31 March 2007

	Share Capital €	Share Premium €	Distributable Reserve €	Retained Earnings €	Total €
At 18 May 2006	-	-	-	-	-
Issue of ordinary shares	2,500,000	247,500,000	-	-	250,000,000
Share issue costs	-	(10,853,570)	-	-	(10,853,570)
Transfer to distributable reserve		(236,646,430)	236,646,430	-	-
Profit attributable to equity holders	-	-	-	3,372,222	3,372,222
Share-based payment	-	-	-	100,000	100,000
Balance at 31 March 2007	**2,500,000**	**-**	**236,646,430**	**3,472,222**	**242,618,652**

Consolidated Balance Sheet
As at 31 March 2008

	Notes	2008	2007
ASSETS		**€**	**€**
Non-current assets			
Investment properties	10	1,007,692,300	486,060,000
Total non-current assets		**1,007,692,300**	**486,060,000**
Current assets			
Property purchase deposits		-	48,317,763
Trade and other receivables	11	15,176,864	10,457,482
Cash and cash equivalents	15	42,501,005	62,965,108
Derivative financial instruments	16	128,367,840	-
Total current assets		**188,045,709**	**121,740,353**
Total assets		**1,193,738,009**	**607,800,353**
EQUITY AND LIABILITIES			
Equity			
Issued capital	13	2,500,000	2,500,000
Distributable reserve	13	236,646,430	236,646,430
Retained earnings		(63,977,099)	5,411,532
Total equity		**175,169,331**	**244,557,962**
Non-current liabilities			
Interest-bearing loans and borrowings	16	842,621,095	351,758,542
Derivative financial instruments	16	143,424,928	206,992
Deferred tax liabilities	8	1,362,887	1,583,888
Total non-current liabilities		**987,408,910**	**353,549,422**
Current liabilities			
Interest-bearing loans and borrowings	16	7,308,740	3,574,377
Trade and other payables	12	22,440,729	5,977,507
Income tax payable	8	1,410,299	141,085
Total current liabilities		**31,159,768**	**9,692,969**
Total liabilities		**1,018,568,678**	**363,242,391**
Total equity and liabilities		**1,193,738,009**	**607,800,353**
Net Asset Value per Ordinary Share	14	**70.07 cents**	**97.82 cents**

Consolidated Cash Flow Statement
For the period 1 April 2007 to 31 March 2008

	Year ended 31 March 2008 €	Year ended 31 March 2007 €
Cash flows from operating activities		
Operating (loss)/profit after tax	(12,579,496)	3,273,436
Adjustment for:		
Tax expense for the year	609,531	1,724,973
Tax paid	239,146	-
Net valuation deficit/(surplus) on investment properties	60,535,626	(2,999,214)
Operating profit before changes in working capital	**48,804,806**	**1,999,195**
(Increase) in trade and other receivables	(4,667,430)	(10,257,482)
Increase in trade and other payables	16,585,518	1,279,024
Net cash flows from operating activities	**60,722,893**	**(6,979,263)**
Cash flows from investing activities		
Purchase of investment property	(536,247,445)	(478,616,198)
Property deposits	-	(48,317,763)
Net cash flows from investing activities	**(536,247,445)**	**(526,933,961)**
Cash flows from financing activities		
Proceeds from issue from ordinary shares	-	250,000,000
Costs related to issue of ordinary shares	-	(10,753,570)
Interest received	1,472,996	5,454,669
Interest paid	(37,993,393)	(946,479)
Swap payments	-	(64,426)
Costs of raising finance	(3,534,071)	(3,103,628)
Receipt of new bank loans	503,026,055	356,876,750
Bank loan repayments	(2,911,179)	(584,984)
Dividend payments	(4,999,961)	-
Net cash flows from financing activities	**455,060,447**	**596,878,332**
Net increase/(decrease) in cash and short-term deposits	(20,464,104)	62,965,108
Cash and cash equivalents at 31 March	**42,501,005**	**62,965,108**

All cash and cash equivalents at 31 March 2008 can be fully utilised.

Notes To The Financial Statements
As at 31 March 2008

1 General information

Develica Deutschland Limited (the "Company") is a closed ended investment company incorporated in Guernsey on 18th May 2006 under the provisions of the Companies (Guernsey) Law, 1994. The investment objective of the company and its subsidiaries (together "the Group") is to achieve income and capital growth primarily from a diversified portfolio of commercial properties situated in Germany.

2 Fundamental accounting concept

The financial statements have been prepared on the going concern basis. The Group's borrowing arrangements include covenants that require maintenance of loan to value ("LTV") ratios ranging between 85% and 95%.

A breach of any LTV covenant, which only arises when a formal notice is issued rather than when the LTV ratio is exceeded, may require the group to reduce the loan amount or make other arrangements to cure the breach. In the event that the breach is not cured an event of default occurs and the lender is entitled to repayment of its loan, although it only has access to the assets secured on the particular loan, and not to other assets of the group.

Although the group was not in breach of any of its LTV covenants at 31 March 2008 one breach has occurred since the year end as explained in note 22. Arrangements are being made with lenders to cure the breaches and to deal with other loans where valuations are outside covenant limits but no breach has occurred. Further falls in property values will cause the Group to be exposed to greater risks of LTV covenant breaches. The Group has considered potential falls in property values based on advice from its external valuers and in view of existing cash resources and projected net cash inflows considers that it has sufficient resources to continue in business for at least 12 months. Changes in property values coupled with an inability to meet lenders requirements on LTV covenants could render certain Special Purpose Vehicles with in the Group unviable and therefore reduce the overall Groups business. However, in view of likely falls in value and existing arrangements with lenders the directors consider that it is appropriate for the financial statements to be prepared on the going concern basis.

3 Principal Accounting Policies

3.1 Basis of preparation and accounting convention

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards adopted for use in the European Union (IFRS) and the Companies (Guernsey) Law, 1994 on the historical cost basis, except for investment property and certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Euros. The functional currency of the Group is Euros.

Statement of compliance

The consolidated financial statements of Develica Deutschland Limited have been prepared in accordance with IFRS as adopted for use in the EU as it applies to the financial statements of the Group for the period ended 31 March 2008. The principal accounting policies adopted by the Group are set out below.

Basis of consolidation

The Group financial statements consolidate the financial statements of Develica Deutschland Limited and its subsidiary undertakings drawn up to 31 March 2008. Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

3.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except as follows.

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of the revised standard and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures.

IFRS 7	Financial Instruments: Disclosures
IAS 1	Amendment – Presentation of Financial Statements (Review)
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment

The principal effects of these changes are as follows:

IFRS 7 – FINANCIAL INSTRUMENTS: DISCLOSURES
This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results, comparative information has been revised where needed.

IAS 1 – AMENDMENT – PRESENTATION OF FINANCIAL STATEMENTS (REVIEW)
This amendment requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 16.

IFRIC 8 – SCOPE OF IFRS 2
This interpretation requires IFRS 2 to be applied to any arrangements in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. As no equity instruments have been issued in the year, the interpretation has no impact on the financial position or performance of the Group.

IFRIC 9 – REASSESSMENT OF EMBEDDED DERIVATIVES
IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation had no impact on the financial position or performance of the Group.

IFRIC 10 – INTERIM FINANCIAL REPORTING AND IMPAIRMENT
The Group adopted IFRIC Interpretation 10 as of 1 April 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. As the Group had no impairment losses previously reversed, the interpretation had no impact on the financial position or performance of the Group.

3.3 Summary of significant accounting policies

A summary of the significant accounting policies is set out below. These have been applied consistently in the current financial year.

(a) Revenue recognition
Revenue, which excludes sales related taxes, is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income and contingent lease rentals are recognised as revenue in the year in which they are earned.

(ii) Service charge income

Expenses incurred in the day-to-day operations of investment properties, as well as expenses recoverable from tenants, are recorded as operating expenses. Amounts recovered from tenants are recognised within revenue as service charge income.

(iii) Interest income

Revenue is recognised as the interest accrues (using the effective interest rate method).

(b) Leases

Where the Group does not transfer substantially all the risks and benefits of ownership of the asset to its lessees, the leases are classified as operating leases. The Group is not party to any finance leases, nor is it a lessee of operating leases.

(c) Expenses

Expenses are accounted for on an accruals basis.

(d) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently at amortised cost. A provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the invoice. Bad debts are written off as incurred.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits which are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents are defined above.

(f) Investment property

Investment properties are recognised in accordance with IAS 40 'Investment Property', when it is probable that the future economic benefits associated with the investment property will flow to the entity and the cost can be measured reliably. In general this happens on legal completion of contracts and assets are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred, providing the recognition criteria are met, but excludes the costs of day to day servicing. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Subsidiaries are used as a vehicle for purchasing investment properties.

Subsequent to initial recognition, investment properties are stated at fair value, which represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm’s length transaction at the date of valuation, which reflects the market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of operations in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of operations in the year of retirement or disposal.

For the investment properties the annual valuations are based upon estimates and subjective judgements that may vary from the actual values and sales prices that may be realised by the Group upon ultimate disposal.

Any acquisition costs incurred on exchanged but not completed contracts are recognised as property deposits on the balance sheet.

(g) Share issue costs
Costs related to the issue of ordinary shares are recognised in the Statement of Changes in Equity and offset against the Share Premium Account.

(h) Loans and financing costs
Loans are initially recognised at fair value net of unamortised discount and financing fees incurred to acquire the debt and are subsequently measured at amortised cost using the effective interest rate method. Consequently discounts and financing fees are amortised over the life of the related debt through interest expense.

(i) Borrowing costs
Borrowing costs are recognised as an expense in the period in which they are incurred regardless of how the borrowings are applied and no borrowing costs are capitalised as part of the cost of an asset.

(j) Derivative financial instruments and embedded derivatives
Derivative financial instruments are classified as fair value through profit and loss and as such are initially and subsequently measured at fair value, determined where possible by reference to quoted market prices for similar instruments.

The Group uses derivative financial instruments such as interest rate swaps and caps to hedge its risks associated with interest rate fluctuations. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Group does not adopt hedge accounting and therefore any gains or losses arising from changes in fair value on derivatives during the year are taken directly to the Statement of operations.

When the Group first becomes party to a contract, it assesses whether there are any embedded derivatives which are required to be separated from the host contracts and fair valued through the statement of operations. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise have been acquired.

(k) Current Taxation
Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

The Company is a limited company registered in Guernsey, Channel Islands and is not subject to local taxation. Certain Group undertakings are subject to foreign taxes in respect of foreign source income, including German income tax on rental income.

(l) Deferred taxation
Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

(i) Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination at the time of the transaction affects neither accounting nor taxable profit or loss.

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. It is expected that each property asset will be sold as part of a Special Purpose Vehicle. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

(m) Foreign Currency
The functional and presentation currency of the company is the Euro. Transactions in currencies other than the functional currency are recorded using exchange rates at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the rate at the balance sheet date with gains and losses being reported in the Consolidated Statement of Operations.

(n) Future changes in accounting policies IFRS and IFRIC interpretations not applied
IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements:

INTERNATIONAL ACCOUNTING STANDARDS ("IAS/IFRS")

		Effective date
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements (revised)	1 January 2009
IAS 23	Borrowing Costs	1 January 2009

The Directors do not anticipate that the adoption of the other standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

3.4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires estimates and assumptions to be made that affect the value at which certain assets and liabilities are held at the balance sheet date and also the amounts of revenue and expenditure recorded in the period. The Directors believe the accounting policies chosen are appropriate to the circumstances and that the estimates, judgements and assumptions involved in its financial reporting are reasonable. Accounting estimates made by the Company's Directors are based on historical experience and on information available to them at the time each estimate is made. Accordingly, actual outcomes may differ materially from current expectations under different assumptions and conditions. The accounting policies that are subject to significant estimates and assumptions are set out below.

(a) Fair value of investment properties

The fair value of investment properties was calculated by independent appraisers and is based on assumptions about the future cash flows from the asset and on the capitalisation rate used. Due to the nature of these parameters, such assumptions are subject to significant uncertainty.

In 2007, the assets were valued at the fair market value of each investment property in the event of a sale of the company that owned the investment property. This fair value estimate included a component for the expected tax saving on disposal of the Companies. Due to current market conditions, the fair market value at 31 March 2008 is based on the value of the assets only and does not include the tax saving component upon expected realisation of investment properties. The change in accounting estimate has caused the fair value of investment properties and profit before tax to be lowered by €35,269,231 from the prior year.

(b) Segmental reporting

The Directors are of the opinion that the company is at present engaged in a single segment of business being the commercial property investment business and that it operates in a single geographical segment (Germany).

4 Material agreements

Under the terms of an appointment made by the Board on 25 May 2006 Develica Deutschland Management Limited was appointed as investment manager to the Company. The Investment Manager is paid a fee of 0.475 per cent per annum with effect from 1 April 2008 (2007: 0.5 per cent per annum) of the Net Asset Value of the Company plus borrowing of the Group (to the extent that and with effect from the date that the same have been invested or committed for investment directly or indirectly in property), payable quarterly in advance.

In addition the Investment Manager is entitled to receive a performance fee of 20% of the extent to which the Net Asset Value per Ordinary Share (with dividends and other distributions added back and ignoring any accrued performance fee) as at the end of each third financial year of the Company, or at such other date where in the reasonable opinion of the board a significant disposal of assets and return of capital or distribution to shareholders has occurred, exceeds the benchmark multiplied by the time weighted average number of Ordinary Shares in issue during that period. The benchmark is equal to the placing price increased at a compound rate of 10% per annum or, where a performance fee has been paid, the Net Asset Value per Ordinary Share which gave rise to the payment of the most recent performance fee increased at a rate of 10% per annum compound.

Under the terms of an Administration Agreement dated 25 May 2006, the Company appointed Kleinwort Benson (Channel Islands) Fund Services Limited as Administrator and Secretary. The Administrator is entitled to receive an annual fee of 0.0275% of the gross asset value of the Company payable quarterly in advance, subject to a minimum fee of €100,000 per annum.

5 Directors' Remuneration

The Chairman is entitled to receive a fee of €50,000 per annum. Each of the other Directors of the Company is entitled to receive a fee of €30,000 per annum (2007: €25,000 per annum). John Hallam, in his role as Audit Committee Chairman is also entitled to a further €5,000 per annum. During the period each of the Directors was entitled to the following fees:

	2008 **€**	**2007** **€**
Derek Butler (Chairman)	50,000	41,336
Lord Sanderson of Bowden	30,000	20,669
Grant Tromans	30,000	20,669
Alan Gravett	30,000	20,669
John Hallam	35,000	20,669
Peter Le Cheminant	30,000	20,669
Quentin Spicer	30,000	20,669
	235,000	165,350

6 Administrative and other expenses

	1 April 2007 to 31 March 2008 €	**18 May 2006 to 31 March 2007** €
Legal and professional fees	1,995,592	324,527
Management fees	3,405,514	1,659,026
Audit fees	365,490	146,465
Non-audit fees	635,141	25,050
Formation expenses	45,139	191,584
Broken deal costs	81,443	636,270

Administration fees	275,958	82,728
Directors' fees and expenses	265,232	165,350
Other expenses	501,100	313,625
	7,570,608	**3,544,625**

7 **Finance income and costs**

	1 April 2007 to 31 March 2008 €	**18 May 2006 to 31 March 2007 €**
Finance income		
Bank interest receivable	1,033,671	2,357,919
Increase in value of cash equivalents	439,325	3,096,750
	1,472,996	**5,454,669**
Finance costs		
Bank loans and overdraft interest	37,886,788	3,091,260
Interest rate swap expense	106,605	118,321
	37,993,393	**3,209,581**

8 **Income tax expense**

The Company is subject to taxation under the laws of Guernsey. The Company qualifies for exempt status which will result in no Guernsey taxation on income it receives, or capital gains from the disposal of investments.

The Company's subsidiaries are subject to foreign tax on foreign source income arising on investment properties.

The fair value adjustments of the investment properties result in a temporary difference between the carrying value of the properties and their tax basis. Since the Group's structure is designed in a way that future disposal of property will be achieved through the sale of the corporate entity which owns such investment property rather than the sale of the underlying property, deferred taxes would be recorded based on the expected tax rate on the future disposal of the Shares.

The major components of income tax for the period ended 31 March 2008 are:

a) Tax on profit on ordinary activities

	2008 €	**2007 €**
Tax charged in the income statement		
Current income tax		
Guernsey income tax		-
German income tax	1,269,214	141,085
Current income tax charge	1,269,214	141,085
Deferred tax		
Origination and reversal of temporary differences	(221,001)	1,583,888
Total deferred tax	(221,001)	1,583,888
Tax charge in the income statement	**1,048,213**	**1,724,973**

b) Reconciliation of income tax charge

	2008 €	**2007 €**
(Loss)/profit on ordinary activities multiplied by the average rate of corporate tax of 16.5% (2007: 14.8%)	(10,444,419)	7,036,505
Revaluation losses/(gains) on interest rate swaps not taxable	2,261,942	(31,348)
Expenses not deductible for tax purposes (property depreciation (2% on 85% of acquisition costs))	(4,069,112)	-
Unutilized current year tax losses	15,127,591	716,449
Tax charge in the income statement	**1,048,213**	**1,724,973**

The weighted average income tax rate for the year of 16.5% (2007: 14.8%) is based on the weighted average tax rate applicable across the Group's operations. This has been calculated by dividing (1) Group companies' profits before tax multiplied by the tax rate applicable for each Group company by (2) the Group's profit before tax.

During the year the Group recognised the following deferred tax liabilities:

	2008 €	2007 €
As at 1 April 2007/18 March 2006	1,583,888	
Accelerated allowance on loan setup costs	565,077	439,895
(Reversal)/accrual of deferred tax liability	(786,078)	1,143,993
	1,362,887	**1,583,888**

The Group has additional tax losses and deductions that will be available indefinitely for offset against future taxable profits of the companies in which the losses and deductions arose. The Group has not recognised deferred income tax assets in respect of some of these losses (as stated above). In addition, the Group has the following unrecognised deferred tax assets. The assets have not been recognised due to the degree of uncertainty over both the amount and the timing of utilisation.

The unrecognised deferred tax asset balances are as follows:

	2008 €	2007 €
Losses not utilised	2,448,846	599,902
Total unrecognised deferred tax asset balance	**2,448,846**	**599,902**

9 Earnings per share

The calculation of basic and diluted earnings per share figures is based on the loss after tax for the year of €64,388,670 and the €250,000,000 Ordinary Shares in issue over the course of the year.

There have been no other transactions involving ordinary shares or potential shares between the reporting date and the date of completion of the financial statements.

10 Investment property

	2008 Group €	2007 Group €
At 1 April		
Additions during the period at cost:	**483,060,786**	**-**
Purchase price paid	550,976,677	458,136,778
Transaction costs	31,191,249	24,924,008
Cost of Investment Property at 31 March	**1,065,228,712**	**483,060,786**
Fair Value adjustment	(57,536,412)	2,999,214
Fair Value of Investment Property at 31 March	**1,007,692,300**	**486,060,000**

It is the Group's policy to carry investment property in accordance with IAS 40 ' Investment Property'. Investment property was valued at 31 March 2008 by CB Richard Ellis Limited (CBRE), valuers external to the group. CBRE have consented to the use of their names in these financial statements. These valuations have been incorporated into the financial statements and have been carried out in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards.

The valuations have been prepared on the basis of Market Value which is defined as:

'The estimated amount for which a property should exchange 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 knowledgably, prudently and without compulsion'.

Market values have been primarily derived using comparable recent market transactions.

In 2008 the properties have been valued individually and no account has been taken of any discount or premium that may be negotiated due to current market conditions. In 2007, the properties were valued assuming that the assets would be transferred as part of a Special Purpose Vehicle (SPV) and a 3.5% premium was included. Various assumptions have been made as to tenure, letting, town planning and the condition and repair of buildings and sites. The valuations have been primarily derived using comparable recent market transactions on arm's length terms.

The following assumptions were used in determining the valuations:

- No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in the valuation.
- No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.
- No account has been taken of the availability or otherwise of capital based Government or European Community grants.

11 Trade and other receivables

	2008 Group €	2007 Group €
Trade and rents receivables	5,823,806	26,651
Funds on escrow	8,116,736	10,323,907
Sundry receivables and prepayments	1,236,321	106,924
	15,176,864	**10,457,482**

Trade receivables are non-interest bearing. Funds on escrow consisted of monies transferred for the purpose of purchasing investment property but which have not yet been utilised.

12 Trade and other payables

	2008 Group €	2007 Group €
Trade payables	3,725,503	1,736,200
Management fees	1,306,156	750,000
Directors' fees	60,195	50,000
Acquisition expenses accrued	1,744,657	3,166,828
Rental prepayments	3,377,699	-
Rental deposits	855,563	-
Property manager fees	267,197	-
Audit fees	359,124	171,515
Non audit fees	547,502	-
Fees payable	33,525	-
Accrued loan interest to 3rd parties	8,489,066	53,896
VAT Payable	1,674,542	49,068
	22,440,728	**5,977,507**

Trade payables are non-interest bearing.

13 Issued capital and reserves

	Number of shares	2008 Company	Number of shares	2007 Company
Authorised				
Ordinary shares of €0.01	500,000,000	5,000,000	500,000,000	5,000,000
Issued and fully paid				
Ordinary shares of €0.01	250,000,000	2,500,000	250,000,000	2,500,000

Ordinary shares have the following rights in respect of the assets of the Company:

- entitlement to receive, and participate in, any dividends or other distributions out of the profits of the Company;
- entitlement to participate in the distributions of capital on a winding up; and
- entitlement, on a poll, to one vote per share at all general meetings of the Company.

Under the terms of an option agreement dated 25 May 2006, the Company has granted an option which entitles the holder to subscribe to 5 million Ordinary Shares at a price of €1 per share during the Option Period, being the period commencing 25 May 2006 and expiring on the fifth anniversary of Admission. The option has not been exercised as at 31 March 2008.

Distributable reserve
Share Premium represents the excess of proceeds raised on the issue of shares over the nominal value of those shares. Costs incurred in issuing shares have been deducted from the share premium during the period from both the Company and the Group. With confirmation of
the Royal Court in Guernsey on 16 March 2007 the amount standing to the credit of the Share

Premium Accounts was transferred to a Distributable Reserve and the Share Premium Account was cancelled.

	2008 Group €	2008 Group €
Share Premium on Ordinary Shares Issued	247,500,000	247,500,000
Issue costs paid on Ordinary Shares Issued	(10,853,570)	(10,853,570)
Balance as at 31 March	**236,646,430**	**236,646,430**

14 Net Asset Value per Ordinary Share

The net asset value per Ordinary Share is based on the net assets attributable to Ordinary Shareholders of €175,169,331 and on €250,000,000 Ordinary Shares in issue at the balance sheet date.

15 Financial Assets and Financial Liabilities

	2008 Group €	2007 Group €
Financial Assets		
Cash and cash equivalents	42,501,005	62,965,108
Interest rate swap	128,367,840	-
Trade receivables	5,823,806	26,651
	176,692,652	**62,991,759**
Financial Liabilities		
Secured loans	842,621,095	355,332,919
Interest rate swap	143,424,928	206,992
Trade payables	3,725,503	1,736,200
	989,771,526	**357,276,111**

The fair values of the financial assets and liabilities are not materially different to the carrying values as detailed above. Cash and cash equivalents comprise of cash held in subsidiary bank accounts and money market deposits.

16 Secured loans and interest rate swaps

The table below sets out the Group's interest bearing loans and borrowings as at 31 March 2008:

Bank loans	**Maturity**	**2008** **€**	**2007** **€**
Non-current		842,621,095	351,758,542
Current		7,308,740	3,574,377
Total borrowings outstanding		**849,929,835**	**355,332,919**

Bank loans

The table below sets out the Group's bank loans net of financing costs and accrued interest as at 31 March 2008:

	Principal amount €	Finance costs €	Net loan €	Accrued interest €	Total €
At 18 May 2006	**-**	**-**	**-**	**-**	**-**
Receipt of bank loans	356,876,750	(3,043,128)	353,833,622	-	353,833,622
Repayment of bank loans	(584,984)	100,392	(484,592)	-	(484,592)
Unamortised issue costs	-	-	-	1,983,889	1,983,889
At 31 Mar 2007	**356,291,766**	**(2,942,736)**	**353,349,030**	**1,983,889**	**355,332,919**
Receipt of bank loans	503,026,055	-	503,026,055	-	503,026,055
Repayment of bank loans	(2,911,179)	-	(2,911,179)	-	(2,911,179)
Unamortised issue costs	-	(3,534,071)	(3,534,071)	6,505,177	2,971,106
At 31 March 2008	**856,406,642**	**(6,476,807)**	**849,929,835**	**8,489,066**	**858,418,901**

At 31 March 2008 the company had in place 11 term loans with a variety of lenders. Each loan was made to enable specific subsidiaries to purchase the properties owned by those subsidiaries, and each loan is secured against the properties and other assets of those specific subsidiaries, but not against the assets of other subsidiaries or the Company. The Company has additionally given guarantees of certain loans amount to €2.6 million.

Each loan has been arranged on different terms. The maturity dates range from October 2011 to January 2013 although, in respect of certain loans, some amortisation of principal (in all cases less than 2.5% per annum) occurs before the maturity date. Interest rates are generally set by reference to Euribor at margins of between 0.8% and 1.25%. One loan amounting to €56.9 million has a fixed interest agreement of 5.70% including margin of 0.90% until August 2012.

The Group's borrowing arrangements include covenants that require maintenance of loan to value ("LTV") ratios ranging between 85% and 95%. Further subsequent events in relation to LTV covenants are explained in note 22.

The Group subsidiaries have managed their variable interest rate exposure using interest rate swaps with notional amounts as disclosed below. These instruments have swapped the Group's floating interest obligations over the terms of the loans for fixed rates between 3.813% and 4.827%. In accordance with IAS 39 Financial Instruments: Recognition and Measurement, the swap agreements are recognised in the financial statements at fair value. As at 31 March 2008, the fair value gains/(losses) of the swaps were as follows:

	Notional Amount €	Derivative financial instrument – Fair Value Asset €	Derivative financial instrument – Fair Value Liability €	Total Fair value €
At 1 April 2007			(206,992)	(206,992)
At 1 April 2008		128,367,840	(143,424,928)	(15,057,088)
Impact on operations during year	**856,406,642**	**128,367,840**	**(143,217,936)**	**(14,850,096)**

17 Financial risk management objectives and policies

a. Financial risk factors

The Group's financial instruments comprise bank loans and trade payables. The main purpose of these financial instruments is to finance the Group's operations. The Group has also entered into interest rate swap agreements in accordance with the terms of the loan agreements with its principal providers of finance. The purpose is to manage the interest rate risks arising from the Group's sources of finance.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.3.

1. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's policy is to fix the interest rate of its bank loans by entering into fixed interest rate loan agreements and by entering into interest rate swaps, in which the Group agrees to exchange at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2008, after taking into account the effect of interest rate swaps, the vast majority of the Group's borrowings were at a fixed rate of interest. However, fixing the interest rates of bank loan agreements exposes the Group to price risk on changes in fair value of the swap.

The Group isn't exposed to interest rate fluctuation due to the fact that the interest rates on the external loans are fully mitigated by the interest rate swap arrangements. The swap arrangement is matched to the terms of the external loan. No specific analysis is completed on the derivatives as the Directors' believe that there is no material interest rate risk exposed to the Group.

All of the Group's cash is deposited in interest bearing accounts receiving interest at a floating rate, however the Group does not consider that a significant interest rate risk is involved. This is reflected in the table below:

	Increase/ decrease in basis points	Effect on profit before tax €
2008		
Euro	+100	425,010
Euro	-100	(425,010)
2007		
Euro	+100	629,651
Euro	-100	(629,651)

2. Credit risk

The Group performs ongoing credit evaluations of its leases and the financial statements include specific allowances for doubtful accounts which, in management's estimation, adequately reflect the underlying loss of debts whose collection is doubtful. At 31 March 2008, we consider there to be no doubtful receivables. The maximum credit exposure as at 31 March 2008 is equal to the Group’s financial assets disclosed in note 14.

3. Liquidity risk

The Group monitors its risk to a shortage of funds using detailed cash flow reporting. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and fund raising.

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2008 based on contractual undiscounted payments.

	Year ended 31 March 2008			
	Up to 1 year	1 to 5 years	> 5 years	Total

		Euro in thousands		
Interest bearing loans and borrowings	7,309	842,621	-	849,930
Trade and other payables	21,578		-	21,578
Derivative financial instruments		143,425	-	143,425
	28,887	986,046	-	1,014,933

	Year ended 31 March 2007			
	Up to 1 year	**1 to 5 years**	**> 5 years**	**Total**
		Euro in thousands		
Interest bearing loans and borrowings	3,574	351,759	-	355,333
Trade and other payables	5,978		-	5,978
Derivative financial instruments		207	-	207
	9,552	351,966	-	361,517

b. Fair Values
The fair values of financial assets and liabilities are not materially different from their carrying values at the Balance Sheet date. The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates.

The fair value of loan notes and other financial assets have been calculated using market interest rates.

c. Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value. The Group monitors capital using a gross debt to property assets ratio, which was 81.8% as at 31 March 2008 (2007: 71.3%). The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or return capital to shareholders. No changes were made in the objectives, policies or processes during the year ended 31 March 2008.

The Group is not subject to externally imposed capital requirements.

18 Group Entities

The subsidiaries of the Group are as follows:

Germany	Principal activity	Date of incorporation	Country of incorporation	Holding %
Develica (Atrium Bonn) Limited	Property Investment	30 May 2006	Guernsey	100.0
DDE 20 Limited	Property Investment	18 August 2006	Guernsey	100.0
DDE 21 Limited	Property Investment	18 August 2006	Guernsey	100.0
DDE 22 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 23 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 24 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 29 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 30 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 31 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 32 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 32 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 33 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 34 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 35 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 36 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 37 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 38 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 39 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 40 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 41 Limited	Property Investment	15 June 2006	Guernsey	100.0

DDE 42 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 43 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 44 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 45 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 46 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 47 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 48 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 49 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 50 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 51 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 52 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 53 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 54 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 55 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 56 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 57 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 58 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 59 Limited	Property Investment	31 January 2007	Guernsey	100.0

Germany	**Principal activity**	**Date of incorporation**	**Country of incorporation**	**Holding %**
DDE 32 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 33 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 34 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 35 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 36 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 37 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 38 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 39 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 40 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 41 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 42 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 43 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 44 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 45 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 46 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 47 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 48 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 49 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 50 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 51 Limited	Property Investment	15 June 2006	Guernsey	100.0
DDE 52 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 53 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 54 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 55 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 56 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 57 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 58 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 59 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 60 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 61 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 62 Limited	Property Investment	31 January 2007	Guernsey	100.0
DDE 63 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 64 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 65 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 66 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 67 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 68 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 69 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 70 Limited	Property Investment	17 May 2007	Guernsey	100.0

DDE 71 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 72 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 73 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 74 Limited	Property Investment	16 May 2007	Guernsey	100.0
DDE 75 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 76 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 77 Limited	Property Investment	17 May 2007	Guernsey	100.0
DDE 78 Limited	Property Investment	19 June 2007	Guernsey	100.0
DDE 79 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 80 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 81 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 82 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 83 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 84 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 85 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 86 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 87 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 88 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 89 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 90 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 91 Limited	Property Investment	20 June 2007	Guernsey	100.0
DDE 92 Limited	Property Investment	20 June 2007	Guernsey	100.0

19 Commitments and contingencies

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2008 are as follows:

	2008	2007
	€	€
Within one year	63,470,621	29,122,865
After one year but not more than five years	210,142,846	112,443,519
More than five years	145,140,346	78,060,386

The Group's portfolio of receivable operating leases comprises some 336 lease contracts. Contract periods range between 0.08 and 18.87 years (as at 31 March 2008)

20 Related party disclosures

The Group was charged investment management fees of €3,405,514 by Develica Deutschland Management Limited of which €1,306,156 was outstanding at the year end. Grant Tromans, who is a director of the Company is also a director of Develica Deutschland Management Limited.

Kleinwort Benson (Channel Islands) Fund Services Limited charged administration fees of €275,958 during the year of which €80,802 was outstanding at the year end. Kleinwort Benson (Channel Islands) Fund Services Limited share the same Ultimate Controlling Party as Kleinwort Benson (Guernsey) Trustees Limited, of which Ian Hancock and Trevor Pinchemain are Directors, and who are also directors of Develica Deutschland Limited's subsidiary companies.

Key management personnel compensation

Information on Directors' fees and interests in the Company's shares is detailed in the Director's report on page 7 and Note 4.

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

	2008	2007
	€	€
Directors' fees	235,000	165,350

21 Ultimate controlling parties

In the opinion of the board there is no ultimate controlling party.

22 Subsequent events

Under the terms of the Group's borrowing arrangements, lenders are generally entitled to request updated valuation information.

Subsequent to 31 March 2008, the Group has been in breach of LTV covenants on one loan.

In this instance, the lender has requested valuation information, in relation to a loan of € 56.9m, for LTV covenant. This showed that the LTV was outside the parameters of the agreement. The Group and the lender have come to an agreement which has remedied the breach.

The Group continues to monitor further instances where loan to value (LTV) covenants are outside the parameters of the relevant loan agreements and the Group is in discussion with the respective lenders.

To the extent that the values of the Group's properties decline further, it is possible that the LTV covenants on borrowings may be breached.