

# **DUIJS WONINGFONDS IV B.V.**

**ANNUAL REPORT 2008**





Rosentorstraße, Goslar



Bahnhofstraße, Goslar (Oker)



Rosentorstraße, Goslar (Clausthal-Zellerfeld)



Alexanderstraße, Oldenburg



Cloppenerstraße, Oldenburg

## GENERAL INFORMATION

### Duits Woningfonds IV

Duits Woningfonds IV BV (the 'Fund') is a limited liability company (Besloten Vennootschap), founded under the laws of the Netherlands on 28 February 2008. It is registered in the commercial register of Amsterdam under number 34296605. The articles of association were amended on 3 June 2008.

#### Advisory board

C.W. van Bommel  
J. Ekelmans (chairman)  
G.J.M.M. Uphoff

#### Management Board

IBUS Fondsen Beheer B.V.  
Represented by R.P. Morshuis, A.W. Luyk

#### Management Germany

IBUS Asset Management B.V.

#### Property Management Germany

KUBON Immobilien GmbH  
A.-C. Hapke Immobilien-Verwaltung  
Dr. Hille Consulting

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#### Auditor

*The Netherlands:* Mazars Paardekooper Hoffman N.V.

#### Tax Advisor

*The Netherlands:* PriceWaterhouseCoopers Belastingadviseurs N.V.  
*Germany:* RöverBrönner KG

**KEY FIGURES**

(amounts in EURO)

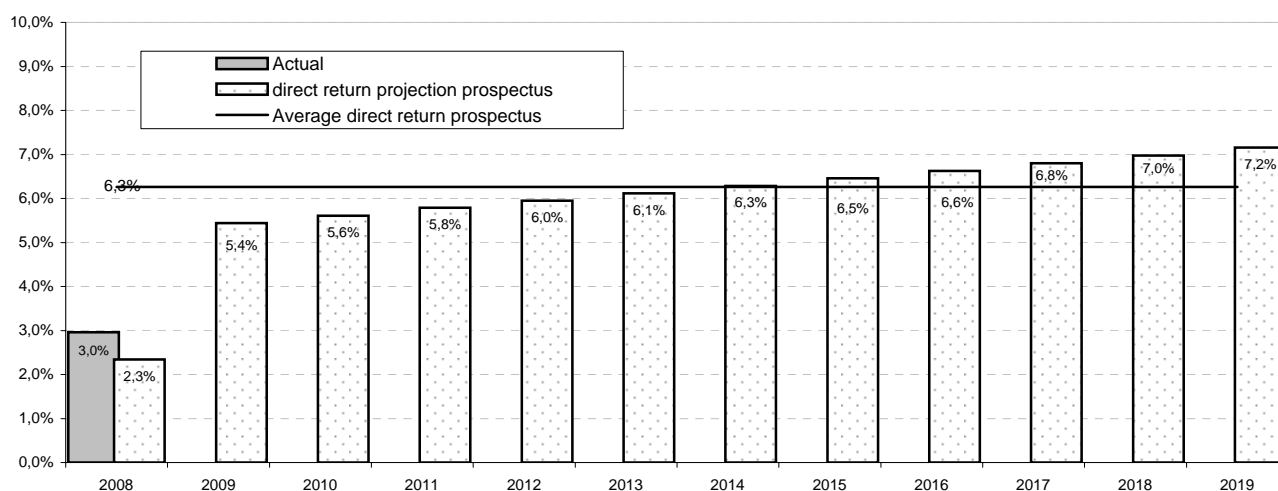
	<u>2008</u>	<u>2008</u>	<u>2008</u>
	actual *	actual **	prospectus ***
	1.1 t/m 31.12	18.12 t/m 31.12	18.12 t/m 31.12
<b>Results</b>			
Gross rental income	<b>563.951</b>	28.944	29.252
Operating expenses	<b>(124.631)</b>	(6.396)	(4.850)
Net rental income	<b>439.320</b>	22.547	24.402
Net income/(loss)	<b>114.481</b>	4.391	3.300
<b>Returns ****</b>			
1. Gross rental return	<b>7,5%</b>	7,3%	7,5%
2. Net rental return	<b>5,9%</b>	5,7%	6,2%
3. Direct return (after tax)	<b>3,0%</b>	3,0%	2,3%
4. Dividend return	<b>3,6%</b>	3,6%	2,3%
<b>Balance sheet</b>			
Investments	<b>10.272.012</b>	10.272.012	10.236.000
Loans and borrowings	<b>6.400.000</b>	6.400.000	6.400.000
Shareholders equity	<b>3.864.481</b>	3.864.481	3.750.000
Invested equity	<b>3.750.000</b>	3.750.000	3.750.000
<b>Per share</b>			
Number of shares	<b>150</b>	150	150
Original invested capital	<b>25.000</b>	25.000	25.000
Remaining invested capital	<b>25.000</b>	25.000	25.000
Shareholders equity	<b>25.763</b>	25.763	25.000
Net income/(loss)	<b>763</b>	29	22

\* During the year, the fund held 12 months the Oldenburg portfolio and held the Goslar portfolio since May 8, 2008.

\*\* Placement of the fund occurred at December 18, 2008.

\*\*\* Prospectus figures are adjusted for the Oldenburg and Goslar portfolio being held for the full month of December 2008.

**Graph 1: Direct return on equity Duits Woningfonds IV BV (all results after tax)**



**\*\*\*\* Definitions**

1. Gross rental income divided by average investments
2. Net rental income divided by average investments
3. Net return corrected for income and expenses (after tax) related to sales divided by invested capital
4. Dividend divided by (remaining) invested capital

## **RECOMMENDATION OF THE ADVISORY BOARD**

To all participants,

We are pleased to present the annual report drawn up by the Management Board of Duits Woningfonds IV BV.

The accounts have been audited by Mazars Paardekoper Hoffman N.V. The auditors have issued an unqualified report on the financial statements, which is enclosed.

We recommend that you adopt the financial statements as presented in this report and grant the Management Board full discharge of its responsibility in respect of its management during the financial year ending on 31 December 2008.

**Amstelveen, 1 April 2009**

C.W. van Bommel

J. Ekelmans

G.J.M.M. Uphoff

## MANAGEMENT REPORT

### GENERAL

The Fund started on 18 December 2008. Gross rental income for the short reporting period amounts to EUR 28.944 and is in line with the prospectus. The net income amounts to EUR 4.391 or EUR 29 per share. The direct return of the Fund is 3,0% which is higher than the prospectus forecast (2,3%).

### GERMAN ECONOMY

The German economy is in a deep recession. Nearly all the economic indicators (business climate, economic activity, exports and demand for capital goods) were negative during the last six months. As a result of a strong first half year, GDP over 2008 still managed to achieve a growth of 1,3% (2,5% in 2007). The prognosis for 2009 has been firmly adjusted downwards from a slight GDP

Graph 2: GDP Growth in Germany and Eurozone



growth of 0,2% to a decrease of 2,7%. German industrial production activity slowed down substantially in the third quarter with a decrease of 3,5%, while the fourth quarter showed a further decrease of 4,9%<sup>1</sup>. Several large firms, including German car manufacturers, shut down production for several weeks at year end and this reduction in production is expected to continue throughout 2009. German exports are suffering from the weakening world economies, with exports to the US being particularly reduced. The growth in exports to emerging economies is also slowing down and consequently, a reduction of 9% is expected for 2009. Declining utilisation of production capacity, negative profit outlooks and restrictive financing conditions will cause spending on plant and equipment to decline sharply. An estimated 700.000 jobs will probably be lost in the coming years, which will increase unemployment to approximately 9,5% in 2010. Private consumption was stagnant in 2008 but disposable income will benefit in 2009 from increased wages (the chemical industry, the steel industry and civil servants), reduced price inflation and some income tax relief. However, consumer confidence will be negatively affected by changes in the labour market which will result in a decrease in private consumption. The German government recently agreed on its second economic stimulus package of EUR 50 billion. This plan includes infrastructure investments for education and highways and tax cuts for firms and individuals. Health insurance costs have been cut for families and subsidies are being provided to encourage the purchase of environmentally friendly cars. Furthermore a "credit and guarantee fund" of EUR 100 billion has been created to give loans to struggling industries. In the banking industry, Hypo Real Estate was saved from bankruptcy in October and its nationalisation is currently being considered by the German government. Commerzbank has already been 25% nationalised, while BayernLB and HSH Nordbank have received capital injections from the German state. The German government expects that the combination of these measures will lead to a recovery of the economy starting in the second half of 2009, which will result in a small increase in GDP of 0,3%<sup>2</sup> in 2010.

<sup>1</sup> Source: EUROSTAT

<sup>2</sup> Source: IfW-Institut

## GERMAN RESIDENTIAL MARKET

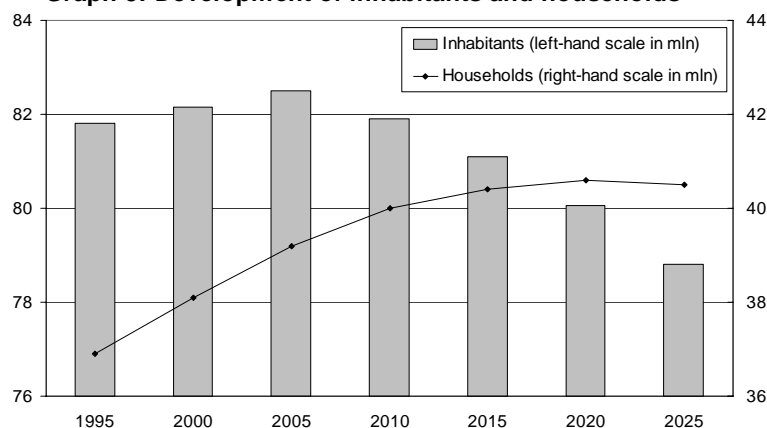
Germany has approximately 21,5 million rental apartments and the average vacancy rate was 3,7% in 2007<sup>3</sup>. These figures relate to apartments active in the market, which are apartments that are currently on offer to the rental market. The vacancy rate differs among the several states from 1,7% in Hamburg and Bayern to 9,4% in Saxony-Anhalt. Germany currently has 82,4 million inhabitants but the population is decreasing and aging, just like the rest of Europe. Assumptions are that the population will further decrease to 81,4 million in 2020. Currently, 20% of the population is aged 65+, and this will rise to 22,5% in 2020. The average household size will decrease, which will result in an increasing number of households, despite the shrinking population. Since new construction of apartments is limited, the market for rental apartments may benefit from this situation.

The demand for rental apartments will remain stable, even in times of financial turmoil. The lower cost segment is expected to see an increase in demand and consequently vacancy will not change dramatically. Increasing unemployment will result in a limited turnover rate but the number of debtors will increase. Despite the increase in disposable income and the limited construction of new apartments, rental prices are expected to rise modestly. The average rental growth increased by 1,3% during 2008, which is slightly

higher than 2007 and 2006 when it increased by 1,1% and 1,0% respectively. Over the past five years, rental growth reached 5,3%. Rents increased in 56% of the 118 largest German cities in 2008. The city centres of the largest seven cities showed the strongest demand. Asking rents in Munich and Frankfurt increased by 4% and 5% respectively, while Hamburg showed the highest increase of 11%. Because of high leverage and limited privatisation possibilities, several large residential funds are experiencing financial problems. As a result, maintenance and investment expenses have been reduced. Well-maintained assets could benefit from this situation and see occupancy improve. The asking prices for apartments increased in only 31 of the 118 largest cities. In general, average asking prices decreased slightly in the fourth quarter in Germany compared with prices per square meter in 2007.

The financial crisis and changing economic outlook had a considerable impact on investments in residential real estate in Germany. About 146.000 apartments were sold in 2008 compared to 300.000 apartments in 2007<sup>4</sup>. It should be noted that this figure includes one large portfolio transaction of 93.000 units (LEG portfolio sold to Whitehall in June 2008). Only 20.000 apartments were sold in the second half of the year for an average price of EUR 61.600. A further decline in investment activity to approximately 100.000 units is expected in 2009. As the number of residential sales was limited, it is difficult to tell where prices really are these days. Prices came down, but as the yields of large German residential portfolios had not compressed substantially over the preceding years, the current price correction seems limited compared to other markets. Since several local Sparkasse banks still provide loans, the market for small deals remains active. In particular, the segment of local investor/occupiers below EUR 350.000 is continuing to invest. The yields for these small-scale deals increased, but not dramatically.

**Graph 3: Development of inhabitants and households**



Source: Aengevelt-Research

<sup>3</sup> Techem-Empirica Leerstandindex

<sup>4</sup> Source: BulwienGesa. Only portfolios of at least 100 apartments are included

## REVIEW OF OPERATIONS

*Oldenburg and Goslar (122 apartments, 11 retail units, 1 office units, 117 parking lots)*

The Fund invests in a residential and retail portfolio located in the district of Goslar and the city of Oldenburg in Germany.

Gross rental income after placement was EUR 28.944 which is in line with the prospectus forecast. The average rent for the apartments in Goslar amounted to EUR 5,51/m<sup>2</sup> per month, while in Oldenburg it was EUR 5,47/m<sup>2</sup> per month. Vacancy of apartments and retail units is also in line with the prospectus. At year end, six apartments were vacant, which implies an occupancy rate of 96,5%. In Oldenburg, vacancy was reduced from seven to one apartment at year end. The average rent for the retail units in Goslar amounted to EUR 10,52/m<sup>2</sup> per month. The main tenant is Sparkasse, which rents four retail units and one office in the Goslar area, with most contracts having a lease term of 10 years. The office is sublet to a local department of the SPD. One of the two vacant shops in the portfolio is located in the high street area of Goslar. Due to the combination of its secondary high street location and its small surface area, it is not easy to let. The Fund is in discussion with a potential tenant (Jack Wolfskin franchisee), who demands upgrade of the façade and an enlargement of the lettable area. The required investment amounts to EUR 90.000, which will partially be paid by the tenant. Negotiations about lease conditions are currently ongoing. The average rent increase is estimated to be EUR 20.000 per year, compared with the current contract rent. Further investments will be limited to small building improvements and refurbishment of apartments in order to optimise occupancy.

## OVERVIEW OF PORTFOLIO

December 2008	Duits Woningfonds IV B.V.					Total	
	Goslar			Oldenburg		Apartments	Other
	Apartments	Retail	Office	Apartments	Retail		
Total units (#)	122	10	1	51	1	173	12
Vacant units (#)	5	2		1	-	6	2
Total units (m <sup>2</sup> )	5.514	1.635	169	3.230	198	8.744	2.002
Vacant units (m <sup>2</sup> )	462	115		68	-	530	115
Rent (EUR/ m <sup>2</sup> )	5,51	10,52	4,50	5,47	8,59		

## FINANCIAL INFORMATION

### Income statement

Gross rental income for the full year 2008 amounted to EUR 563.951. This amount includes rental income from Oldenburg for the full year and that from Goslar since 8 May 2008. Gross rental income for the reporting period of the Fund since 18 December 2008 amounts to EUR 28.944. The operating costs (incl. vacancy service charges) were EUR 124.631 for the full year. Net income for the full year (after minority share) amounted to EUR 114.481, resulting in a net income of EUR 4.391 or EUR 29 per share for the reporting period. The direct return is 3,0% which is higher than the projection (2,3%) due to lower fund costs than projected. The tax expenses were EUR 21.938, which were taken as costs but are deferred. The deferred taxes are not included in the cash flow projection of the prospectus, as they are a non-cash item. The deferred tax is a result of the differences between fiscal and commercial profit due to depreciation. The Fund has decided that the cash related to the deferred tax does not need to be retained and will be distributed. Consequently, the operational profit will be fully distributed, resulting in a dividend return of 3,6%.

### Balance Sheet

The non-current assets amount to EUR 10,27 million. This is EUR 36.012 higher than the projection caused by capitalisation of investments. The investments are financed with a mortgage loan of EUR 6,4 million which expires on 30 April 2018. The interest is fixed at a rate of 5,57% by means of a swap. The current loan-to-value is 68%, which is in line with the required rate of 70%. The current debt coverage ratio is 1,8 and therefore higher than the required ratio of 1,25. Total equity amounts to EUR 3.864.481 or EUR 25.763 per share.

### Cash Flow

The cash position of the Fund increased to EUR 591.467. Income from operations (EUR 321.394) minus financing costs (EUR 210.306) generated an operational cash flow of EUR 111.088 in 2008, before minority share reduction.

The operational cash flow of the Fund will increase next year as it is the first full year of operation. When the investment for the Goslar units will take place, probably a part needs to be financed by the operational cash flow.

### DISTRIBUTION TO PARTICIPANTS

Distribution to participants is defined in the articles of association.

The dividend return is 3,6% and is higher than the prospectus (2,3%). Given the small amount, the profit of 2008 will be distributed together with the interim distribution of 2009.

### Profit distribution period 18 December 2008 – 31 December 2008

Profit Distribution (in euro)	<i>Total</i>		<i>Per share</i>	Year end
	Full year 1 Jan. - 31 Dec.	After placement 18 Dec. - 31 Dec.	After placement	
Net Profit	114.481	<b>4.391</b>	29	<b>29</b>
Deferred tax liability	20.775	<b>797</b>	5	<b>5</b>
<b>Total result</b>	135.256	<b>5.188</b>	34	<b>34</b>

### CHANGES IN GERMAN TAX LAW

The German Tax Law has been modified as of 2008, as was announced in the previous annual report. The 'Zinsschranken – Regelung' was replaced by the 'Regelungen zur Gesellschafter-Fremdfinanzierung'. The most relevant changes for the Fund are:

- a decrease in the corporate tax rate from 26,375 % to 15,825% (including solidarity tax)
- the introduction of the earnings stripping rule which could limit the deduction of interest of the Fund. If the net interest costs of an entity exceed EUR 1 million, only 30% of the GERMAN EBITDA (earnings before interest, taxes, depreciation and amortization) can be taken into account for deduction.

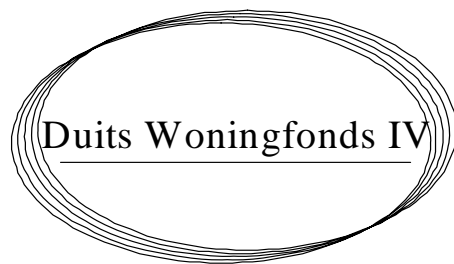
The Fund is expected to qualify for the exemption rules and will therefore be able to benefit from full interest deduction.

## **OUTLOOK**

Although the German economy will face a strong recession in 2009, the demand from tenants for rental apartments and therefore also the income of the Fund is expected to remain quite stable. The rental income of most retail units is secured by long term contracts. Due to limited rent index and some higher administrative and operational costs, the direct return for 2009 will be about 5,1%, which is lower than forecast in the prospectus (5,5%).

Amstelveen, 17 March 2009  
The Management Board  
**IBUS Fondsen Beheer B.V.**





**CONSOLIDATED ANNUAL REPORT 2008**

**Balance Sheet** as at 31 December 2008*(before profit distribution)*

		<b>2008</b>
<b>Assets</b>		
Intangible assets		84.329
Investment property	1	<u>10.187.683</u>
<b>Total non-current assets</b>		10.272.012
Trade and other receivables	2	342.732
Cash and cash equivalents	3	<u>591.467</u>
<b>Total current assets</b>		934.199
<b>TOTAL ASSETS</b>		<u><u>11.206.211</u></u>
<b>Equity and liabilities</b>		
Issued capital	4	<u>3.864.481</u>
<b>Total shareholders equity</b>		3.864.481
Minority interest	5	211.732
<b>Total equity</b>		<u>4.076.213</u>
Loans and borrowings	6	<u>6.400.000</u>
<b>Total non-current liabilities</b>		6.400.000
Trade and other payables	7	<u>729.998</u>
<b>Total current liabilities</b>		729.998
<b>TOTAL LIABILITIES</b>		<u><u>11.206.211</u></u>

**Income statement**

		<u>2008</u>
<b>Rental income:</b>		
Gross rental income	8	563.951
Property operating expenses	9	(113.713)
Service charges due to vacancy		<u>(10.918)</u>
<b>Net rental income</b>		<b>439.320</b>
<b>Other expenses and income:</b>		
Administrative costs	10	(39.360)
Management fee		<u>(46.392)</u>
<b>Total of other expenses</b>		<b>(85.752)</b>
<b>Net income (loss) from operations</b>		<u><b>353.568</b></u>
<b>Financial income (expenses)</b>		
Income		12.024
Expense		<u>(222.330)</u>
<b>Net finance expense</b>	11	<u><b>(210.306)</b></u>
<b>Result</b>		<b>143.262</b>
Tax expense		<u>(21.938)</u>
<b>Result after taxes</b>		<b>121.324</b>
Minority interest		<u>(6.843)</u>
<b>Net income (loss)</b>		<u><u><b>114.481</b></u></u>

**Cash Flow Statement**

	<u>2008</u>
<b>Operating activities</b>	
<b>adjusted for:</b>	
Net income from operations	321.394
<b>Change in:</b>	
Receivables	(529.001)
Payables	<u>706.991</u>
<b>Cash generated from operations</b>	<b>499.384</b>
Finance income/expense	(210.306)
Taxes	<u>(21.938)</u>
	<u>(232.244)</u>
<b>Cash flow from operating activities</b>	<b>267.140</b>
<b>Investing activities</b>	
Investment in investment property	<u>(10.030.562)</u>
<b>Cash flow from investment activities</b>	<b>(10.030.562)</b>
<b>Financing activities</b>	
Repayment/increase of borrowings	6.400.000
Minority share	204.889
Capital contribution	<u>3.750.000</u>
<b>Cash flow from financing activities</b>	<b>10.354.889</b>
Net movement in cash and cash equivalents	591.467
Cash and cash equivalents as at 1 January	<u>-</u>
<b>Cash and cash equivalents as at 31 December</b>	<b><u>591.467</u></b>

## **NOTES TO FINANCIAL STATEMENTS**

The fund's accounting principles and policies are consistent with the prospectus: the prospectus has been formulated prior to the placement of the participations.

Duits Woningfonds IV B.V. ("Company"), which was established and located in Amstelveen, has been founded on December 28, 2008. The limited partnership's main goal is to participate in other entities and partnerships.

### **Principles of Consolidation**

The consolidated balance sheet and profit and loss statement are of the Company and its affiliates. Affiliates are entities where Duits Woningfonds IV B.V. has a stake in it. The results of these entities are consolidated. In a full consolidation, minority shares are used in order to present a result due to the ownership percentage of the Company in the Limited Partnerships. The minority share is a 5,3 % stake of IBUS Asset Management XIX B.V.

## **PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES**

### **General**

The financial statements have been prepared in accordance with accounting principles generally accepted in The Netherlands and are denominated in EURO. Assets and liabilities are stated at cost, unless indicated otherwise.

### **Investments**

The investment is valued at fair value, without annual depreciations.

### **Trade and other receivables**

Debtors are stated at face value net of provisions for doubtful debts where necessary.

### **Long term debt**

Long term debt is valued at nominal values.

### **Short term liabilities**

Short term liabilities have a maturity of one year.

## PRINCIPLES FOR RESULT DETERMINATION

### Result

The profit or loss is the balance of gross rental income on the one hand and on the other the costs and other expenses for the year. Profits on transactions are recognized in the year they are realized; losses are recognized when foreseen.

### Investment income

**Gross rental income.** Gross rental income represents rents charged within the period this report relates to. Including adjustments of the provision for uncollectible rent.

**Operating expenses.** Expenses are based on the historical cost convention and attributed to the financial year to which they pertain. Operating expenses include: property tax, service charges, maintenance, insurance, and management costs which can not be charged to the tenant.

### Costs

**Interest costs.** These include interest on the mortgage loan as well as interest on cash and cash equivalents, attributable to the reporting period.

**Administrative fees.** Administrative fees, which are attributable to the period this report relates to, include accounting fees, legal and tax advice.

**Management fees.** Management fees represent allocatable compensation which IBUS receives for the management of the Company and its Limited Partner during the accounting period.

### Taxes

Corporate income taxes are recognized against the applicable C.I.T. rate. For temporary differences, a deferred tax asset or liability is recognized against the C.I.T. rate against which realization of the asset/liability is to be expected.

## PRINCIPLES OF THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. The funds in the cash flow statement consist of cash at bank and in hand current-account debt at the bank.

**NOTES:****1. INVESTMENT PROPERTY**

The movements in investment property are listed below:

	<u>Total</u>
<b>Balance as at 1 January</b>	-
Investments	<u>10.187.683</u>
<b>Balance as at 31 December</b>	<u><b>10.187.683</b></u>

Intangible assets relate to costs made for acquisition of real estate, refinancing, structuring. Land and buildings of Salzgitter serve as collateral for the mortgage loan.

**2. TRADE AND OTHER RECEIVABLES**

	<u>2008</u>
Trade receivables	68.847
Receivables on affiliates regarding capital contributions	241.423
Prepaid service charges	25.838
Other assets	<u>6.624</u>
	<u><b>342.732</b></u>

**3. CASH AND CASH EQUIVALENTS**

An amount of EUR 41.815 concerns the the tenant deposits of tenants in Oldenburg and Goslar. Other resources are non-restricted. The cash is on Dutch and German interest-bearing bank accounts.

**4. GROUP EQUITY**

	<u>Issued capital</u>	<u>Share premium</u>	<u>Undistributed profit</u>	<u>Total</u>
<b>Balance as at 1 January</b>	-	-	-	-
Issuance of stock	20.000	3.730.000	-	<b>3.750.000</b>
Total result current year	-	-	114.481	<b>114.481</b>
<b>Profit appropriation current year</b>				
Dividends to shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at 31 December</b>	<u><b>20.000</b></u>	<u><b>3.730.000</b></u>	<u><b>114.481</b></u>	<u><b>3.864.481</b></u>

As at 31 december 2008 the share capital comprised 251.20 fully-paid shares.

**Issued capital:**

The authorised capital comprises 251.20 shares each with a nominal value of Eur 50.000 each. As at 31 December 2008, 251.20 were issued.

**Share premium:**

The share premium consists of capital paid on shares in excess of the nominal value. Share premium can in certain circumstances be distributed tax-free

## 5. MINORITY INTEREST

Duits Woningfonds IV B.V. holds a stake of 94,7% in IBUS AM XIX B.V. & Co. Oldenburg K.G. The minority interest relates to a stake of 5,3% of IBUS Asset Management XIX B.V. in IBUS AM XIX B.V. & Co. Oldenburg K.G.

## 6. LOANS AND BORROWINGS

	<u>2008</u>
<b>Balance as at 1 January</b>	-
Repayments	-
Borrowings	<u>6.400.000</u>
<b>Balance as at 31 December</b>	<u><u>6.400.000</u></u>

### Conditions of the loan:

The loan consist of two tranches; one tranche is in the amount of EUR 4,830,000 and the other in the amount of EUR 1,570.000. To secure the mortgage loan, the land and buildings of Oldenburg are included as collateral.

Duration of the loan is 10 years. The loan expires at 30 April 2016. The loan is non-recourse. DWF IV B.V. has covered the interest risk on the mortgage which is funded based on a 3 month Euribor (flexibel) by means of an interest swap. Due to this financing instrument the interest charges on both tranches are fixed for a period of 10 years (ending 30 April 2016) on a percentage of 4,52%. Due to the margin of 105 bp on the IRS loan the effective rate for the fund is 5,57%.

## 7. TRADE AND OTHER PAYABLES

	<u>2008</u>
Interest payable	40.211
Creditors	73.126
Prepaid rent	25.499
Payable to related party for pre-financing equity	171.853
Tenant deposits	41.815
Acquisition fee	209.276
VAT payable	35.636
Other payables	<u>132.582</u>
	<u><u>729.998</u></u>

**8. GROSS RENTAL INCOME**

	<u>2008</u>
Gross rental income	<u>563.951</u>
	<u>563.951</u>

The gross rental income has been lowered by EUR11.237 due to doubtful debtors.

**9. PROPERTY OPERATING EXPENSES**

	<u>2008</u>
Maintenance	65.509
Property cost	13.097
Promotion and marketing	753
Admin and property management fees	34.150
Other	<u>204</u>
	<u>113.713</u>

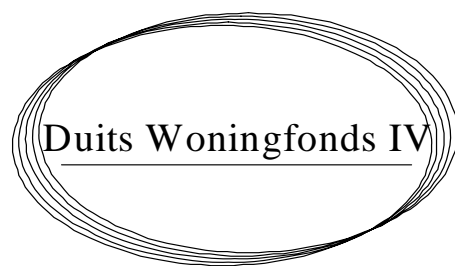
**10. ADMINISTRATIVE COSTS**

	<u>2008</u>
Administrative & accounting costs	35.446
Fiscal advice	2.000
Other	<u>1.914</u>
	<u>39.360</u>

**11. NET FINANCE EXPENSE**

		<u>2008</u>
<b>Finance expenses</b>		
Interest expense	(222.296)	
Other finance expenses	<u>(34)</u>	
		(222.330)
<b>Finance income</b>		
Interest income	<u>12.024</u>	
		<u>12.024</u>
		<u>(210.306)</u>





**STATUTORY ANNUAL REPORT 2008**

**Balance Sheet** as per 31 December 2008

*(before profit distribution)*

		<b>2008</b>
<b>Assets</b>		
Intangible assets		58.729
Investment property	1	<u>3.794.642</u>
<b>Total non-current assets</b>		<b>3.853.371</b>
Trade and other receivables	2	850
Cash and cash equivalents	3	<u>201.972</u>
<b>Total current assets</b>		<b>202.822</b>
<b>TOTAL ASSETS</b>		<u><u>4.056.193</u></u>
<b>Equity and liabilities</b>		
Issued capital	4	<u>3.864.481</u>
<b>Total shareholders equity</b>		<b>3.864.481</b>
Trade and other payables	5	<u>191.712</u>
<b>Total current liabilities</b>		<b>191.712</b>
<b>TOTAL LIABILITIES</b>		<u><u>4.056.193</u></u>

## Income statement

	<u>2008</u>
<b>Other expenses and income:</b>	
Administrative costs	6 <u>(9.122)</u>
<b>Total of other expenses</b>	<b>(9.122)</b>
<b>Net income (loss) from operations</b>	<u><b>(9.122)</b></u>
<b>Financial income (expenses)</b>	
Income	<u>969</u>
<b>Net finance expense</b>	7 <u><b>969</b></u>
<b>Result</b>	<b>(8.153)</b>
Result investments	<u>122.634</u>
<b>Net income (loss)</b>	<u><u><b>114.481</b></u></u>

**Cash Flow Statement**

	<u>2008</u>
<b>Operating activities</b>	
<b>adjusted for:</b>	
Net profit before tax	(9.122)
<b>Change in:</b>	
Receivables	(850)
Payables	<u>191.712</u>
<b>Cash generated from operations</b>	<b>181.740</b>
Minority interest	92.161
Finance income/expense	<u>969</u>
<b>Cash flow from operating activities</b>	<b><u>93.130</u></b>
	<b>274.870</b>
<b>Investing activities</b>	
Investment in investment property	(58.729)
Investment in subsidiaries and minority interest	<u>(3.764.169)</u>
<b>Cash flow from investment activities</b>	<b>(3.822.898)</b>
<b>Financing activities</b>	
Capital contribution	<u>3.750.000</u>
<b>Cash flow from financing activities</b>	<b><u>3.750.000</u></b>
Net movement in cash and cash equivalents	<b>201.972</b>
Cash and cash equivalents as at 1 January	<u>-</u>
<b>Cash and cash equivalents as at 31 December</b>	<b><u><u>201.972</u></u></b>

**NOTES:**

The principles for the valuation of the assets and liabilities and the principles for the measurement of the result are for the statutory balance sheet and profit- and loss statement equal to the consolidated financial statements. Individual items are therefore referred to the notes in the consolidated accounts. All amounts are in EUR, unless stated otherwise. The statutory accounts have been prepared in accordance with Article 402, BW 2, Titel 9 (Dutch Law).

**1. INVESTMENT PROPERTY**

The movements in investment property are listed below:

	<u>Total</u>
<b>Balance as at 1 January</b>	-
Investments	3.674.000
Result	92.161
Distributions	(1.992)
<b>Balance as at 31 December</b>	<b><u>3.764.169</u></b>

**2. TRADE AND OTHER RECEIVABLES**

	<u>2008</u>
Other assets	<u>850</u>
	<b><u>850</u></b>

**3. CASH AND CASH EQUIVALENTS**

An amount of EUR 623.708 concerns the the tenant deposits of tenants in Salzgitter. Other resources are non-restricted. The cash on Dutch and German interest-bearing bank accounts

#### 4. GROUP EQUITY

	Issued capital	Revaluation reserve	Profit	Total
Total result current year	-	-	114.481	<b>114.481</b>
<b>Profit appropriation current year</b>				
Distribution regular shares	20.000		-	<b>20.000</b>
adjustment revaluation reserve	-	3.730.000	-	<b>3.730.000</b>
<b>Balance as at 31 December</b>	<b><u>20.000</u></b>	<b><u>3.730.000</u></b>	<b><u>114.481</u></b>	<b><u>3.864.481</u></b>

As at 31 december 2008 the share capital comprised 150 fully-paid shares. Issued capital: EUR 3.750.000.

##### Issued capital:

The authorised capital comprises 150 shares each with a nominal value of Eur 25.000 each. As at 31 December 2008, 150 were issued.

##### Revaluation reserve:

The revaluation reserve concerns the revaluation of the property investments. The unrealised positive difference between the cumulative increase in the fair value of the property owned at the end of the year minus the deferred tax to which this gives rise has been included in the revaluation reserve. The revaluation reserve as at year-end 2008 has been determined at individual property level taking account

	<u>2008</u>	<u>2007</u>
<b>Dividends paid:</b>		
Eur 0 per share (2007: n.a.)	-	-
	<u>-</u>	<u>-</u>

The dividend proposal of EUR 135.256 has not been recognised in the financial statements.

##### Earnings per share:

The calculation of earnings per share as at 31 December 2008 is based on the net profit of the period which is attributable to the shareholders, amounting to Eur 34 (2007: n.a.).

The authorized capital amounts to EUR 25.000 per share. At the end of 2008, 150 shares are issued and paid in.

#### 5. TRADE AND OTHER PAYABLES

	<u>2008</u>
Creditors	13.109
Short-term part of loans from related parties	47.853
Other payables	<u>130.750</u>
	<u>191.712</u>

**6. ADMINISTRATIVE COSTS**

	<u>2008</u>
Administrative & accounting costs	4.000
Fiscal advice	2.000
Other	<u>3.122</u>
	<u>9.122</u>

**7. NET FINANCE EXPENSE**

		<u>2008</u>
<b>Finance income</b>		
Interest income	<u>969</u>	<u>969</u>
		<u>969</u>

## **ADDITIONAL INFORMATION**

### **STATUTORY ARRANGEMENTS FOR THE ALLOCATION OF THE RESULT**

1. The profit is at the free disposal of the general meeting of shareholders
2. The company can only distribute to the shareholders to the extent its equity exceeds the total amount of its issued share capital and the reserves to be maintained pursuant to the law.
3. The company may distribute interim dividends, if the requirement of the second paragraph has been met and if determined by the general meeting on a proposal of the managing board.

### **PROPOSAL ALLOCATION OF THE RESULT 2008**

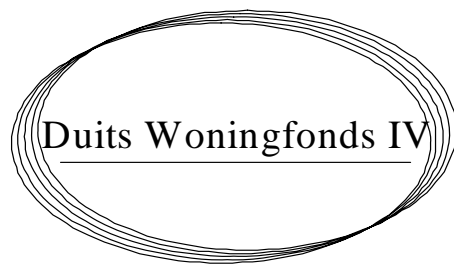
At the general meeting of shareholders, a proposal to fully distribute the remaining 2008 net income of EUR 135.256 will be put forward.

### **EVENTS OCCURRING AFTER BALANCE DATE**

None

Amstelveen, 17 March 2009  
The Management Board

IBUS Fondsen Beheer B.V.



**AUDITOR'S REPORT 2008**

To: the Board of Directors of Duits Woningfonds IV B.V.

## AUDITOR'S REPORT

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2008 of Duits Woningfonds IV B.V., Amstelveen, which comprise the consolidated and company balance sheet as at 31 December, 2008, the consolidated and company profit and loss account for the year then ended and the notes.

#### *MANAGEMENT'S RESPONSIBILITY*

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *AUDITOR'S RESPONSIBILITY*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the financial statements give a true and fair view of the financial position of Duits Woningfonds IV B.V. as at 31 December, 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 17 March 2009

**MAZARS PAARDEKOOPEL HOFFMAN N.V.**



F.D.N. Walta RA

