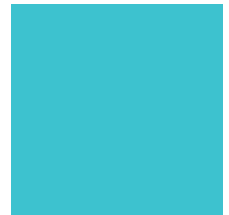
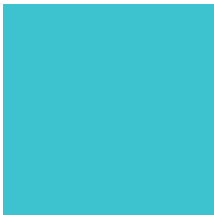




Sirius Real Estate Limited
Interim Report 2010



Who we are

Sirius Real Estate Limited
("SRE" or the "Company")
is a real estate company
established to acquire large
mixed-use commercial sites
for upgrading to flexible
workspaces in Germany.

IFC Who we are

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Our highlights

Operational highlights

- Strong sales performance with new lettings of 87,078 sqm signed in the period (2009: 45,283 sqm)
- Monthly sales enquiries averaging 871 in the period compared to 392 for the same period last year
- German market is stable with SME performing well reflected by high levels of enquiries for new space
- As part of the core focus on cost reduction and improved recovery, the following actions are expected to generate annual cost savings of €2.5m this financial year:
 - Significant reductions in overheads, facility management and utility costs
 - Introduction and improvement of utility metering across the portfolio
 - Improved allocation of facility management costs to tenants
 - Higher service charge prepayments received from tenants
- Success on retention and extending the contracted term of top 50 tenants
- Smartspace continues to attract smaller tenants at higher rates with its flexible offering

Results highlights

- Cash balances of €28.7m (31 March 2010: €33.4m)
 - Cash trap position with RBS rectified subsequent to 30 September 2010 with all facilities within their covenants
- Recurring PBT excluding exceptional costs and non-recurring write-downs was €1.2m* (2009: €1.0m)
- Stable property portfolio value – revalued by DTZ at €501m (31 March 2010: €500m)

* Excluding property revaluation, change in fair value of derivative financial instruments, costs relating to the requisitioned Extraordinary General Meeting ("EGM") and write-downs relating to prior period service charge collections and tenant debtors.

73%

Occupancy, up 5% from
1 January 2010
(30 November 2010: 75%)

€41.5m

Gross annualised rent roll
(31 March 2010: €41.9m)

72.9c

Adjusted NAV per share
(31 March 2010: 73.6c)

€4.13

Average rent per sqm
(31 March 2010: €4.25)

61.7%

LTV across the portfolio
(31 March 2010: 62.2%)

€1.4m

Exceptional one-off costs
and write-downs

Chairman's statement



Dick Kingston Non-executive Chairman

Introduction

I am pleased to announce the Group's half yearly results for the six months ended 30 September 2010. The Group performed well during the period delivering a strong lettings performance, selling approximately double the space sold in the comparable period last year, which offset the expected moveouts over the summer. We therefore kept up the momentum of increasing occupancy which started at the beginning of 2010, an improvement of nearly 5 per cent to 30 September 2010 with a further 2 per cent added in the first two months of the second half. Alongside this, good progress has been made on improving cost recovery and efficiencies across the business, and although one-off costs and write-downs have impacted profits in this period, the benefits of the programmes in place are starting to be seen and are expected to be felt more significantly in the next financial year.

The management team continues to implement the targets of driving occupancy towards and beyond 80%, whilst also reducing direct costs and improving recovery from tenants.

Results

Gross income for the period was €22.0 million (2009: €22.0m). As at 30 September 2010, the portfolio of 38 properties had an annualised gross rent roll of €41.5 million (31 March 2010: €41.9m) and total lettable area of circa 1.15 million sqm.

Excluding the one-off impact of the €349,000 of costs mostly incurred in relation to the requisitioned Extraordinary General Meeting ("EGM"), and the write-down of €1.1 million relating to prior year service charge balancing receivables and tenant debtors, profit before tax for the period was €1.2 million (2009: €1.0m). Service charge prepayments received from

tenants have been increased significantly in the period which reduces the likelihood of future write-downs for service charge balancing receivables relating to the current period. The impact relating to prior year uncollected debtors in the second half will be significantly lower than experienced in this period.

During the six months to 30 September 2010 capital expenditure was restrained, with the Company investing approximately €2.9 million in upgrading the portfolio, due to the initial development phase of the business being largely completed at the outset of 2010.

The adjusted EPS which excludes: property revaluation; related deferred tax and non-controlling interest; and change in fair value on derivative financial instruments, was (0.11)c as at 30 September 2010 (2009: 0.63c). The negative EPS number includes, however, the debtor write-downs. Excluding these write-downs the adjusted EPS would have been 0.24c. This is lower than the prior year due to the €1.3 million tax credit in the September 2009 results.

On 30 July 2010, shareholders defeated the five resolutions proposed at the EGM requisitioned by Weiss Asset Management LP. This was in line with the Board's recommendation.

Net Asset Value ("NAV")

The portfolio has been independently valued by DTZ Zadelhoff Tie Leung GmbH ("DTZ") as at 30 September 2010 at €501 million (31 March 2010: €500m).

The adjusted NAV per share, which excludes deferred tax and change in fair value adjustment on financial derivative instruments, was 72.9c at 30 September 2010 (31 March 2010: 73.6c).

Dividend

As reported previously, the Company's focus is on driving rental income, occupancy and efficiency across the business so that the payment of a progressive dividend can be reinstated when appropriate. We are therefore not proposing to make an interim dividend payment, but will continue to review this policy.

Finance

As at 30 September 2010 Sirius's borrowings, excluding capitalised loan costs, totalled €309.0 million (31 March 2010: €311.0m) representing an LTV of 61.7% (31 March 2010: 62.2%).

As announced post the period end, the Company agreed to pay down the RBS loan by €1.1 million, which has taken the facility out of "cash trap" and released all trapped funds into the Company's general trading accounts. The interest cover ratio on this RBS loan remains above the covenanted level of 125% and in addition, the Company continues to have cash balances of €28.7 million and unencumbered assets of €39.9 million. The Board is therefore confident that the Company has the flexibility to manage its borrowings.

Asset Management

As the leading operator of branded business parks providing flexible workspace to the SME market in Germany, Sirius remains in a good position. During the period the Asset Management team continued successfully to implement the strategy of increasing occupancy and driving efficiency levels across the portfolio.

The Group made significant changes to the Asset Management team at the end of 2009, reducing the overall headcount, whilst increasing the

“ Occupancy has increased by nearly 7 percentage points since the beginning of the calendar year and significant cost savings are now coming through. We look forward to delivering a positive result for the full year. ”

sales force under Andrew Coombs, appointed CEO of Sirius Facilities GmbH in December 2009. The impact of these changes is still supporting an improved penetration into the market with monthly sales enquiries averaging 871 compared to averaging 392 per month in the period in 2009. Similarly the Company's improved online strategy and search engine optimisation has meant that website traffic improved to 9,480 direct hits in September 2010 compared to 6,825 direct hits in September 2009.

Occupancy was 73% as at 30 September 2010, an increase from 71% as at 31 March 2010, due to a strong sales performance during the period which helped to offset the anticipated substantial moveout by Siemens. We are pleased to report that occupancy at the end of November is 75%. During the period under review we achieved new lettings of 87,078 sqm at an average price of €4.16 per sqm, almost double the 45,283 sqm of new lettings achieved in the same period last year. 73,996 sqm of space was vacated in the period (2009: 52,807 sqm), of which the expected moveout by Siemens accounted for 13,942 sqm.

The average rental value achieved on new lettings in this period was €4.16 per sqm (2009: €5.20 per sqm), and the average rate across the portfolio is now €4.13 per sqm. The fall in rate was driven primarily by the product mix sold during the period, where a higher proportion of lower rental storage and light industrial space was sold. Two specific large renewals resulted in exchanging longer term rental certainty for lower initial income and the Siemens move out mentioned above had been at a higher rate. Since the period end, during October and November, we have achieved new lettings of 23,021 sqm at an average price of €4.42 per sqm.

Retention of the Group's top 50 tenants, which represent approximately 59% of the gross rent roll, was and remains a key objective. The Company has secured new leases with ten of the largest tenants on over 80,000 sqm in aggregate at a weighted average lease length of 7.5 years, which is expected to generate a committed future income stream of €34.3 million.

The Company is continuing to pursue its Smartspace initiative. 21,349 sqm have now been converted into highly flexible Smartspace, of which 12,764 sqm is let at an average of €8.76 per sqm.

The Company has made excellent progress in reducing non-recoverable service charge costs and general business overheads. As a result of significant service charge cost reductions, metering of utilities, better allocation of facility management costs, an increase in the service charge prepayments received from tenants and reduction in overheads, the Company's costs are expected to be approximately €2.5 million lower than last year. We expect further benefits to come through next year.

Board changes

On 15 July 2010 Brian Myerson stepped down from the Board of the Company. The Board would like to thank Brian for his contribution to the Company over the last two years.

Outlook

To date, 2010 has seen the Company deliver on its objectives. Occupancy has increased by nearly 7 per cent since the beginning of the calendar year and significant cost savings are now coming through.

This, combined with the fundamental strength of the unique Sirius business model, offering flexible affordable workspace to the German SME market, puts the Company in a strong financial position. We are currently trading in line with our expectations, we remain focused on our key objectives and look forward to delivering a positive result for the full year.



Dick Kingston
Chairman

Independent review report

to the members of Sirius Real Estate Limited

Introduction

We have been engaged by the Company to review the unaudited set of financial statements in the interim report for the six months ended 30 September 2010 which comprises the Unaudited Consolidated Statement of Comprehensive Income, Unaudited Consolidated Statement of Financial Position, Unaudited Consolidated Statement of Changes in Equity, Unaudited Consolidated Statement of Cash Flow and the related explanatory notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules.

As disclosed in note 2(a), the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU. The unaudited set of financial statements included in this interim report has been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the unaudited set of financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited set of financial statements in the interim report for the six months ended 30 September 2010 is not prepared, in all material respects, in accordance with the recognition and measurement requirements of IFRS as adopted by the EU and the AIM Rules.

KPMG Channel Islands Limited

Chartered Accountants

Guernsey

3 December 2010

Unaudited consolidated statement of comprehensive income

for the six months ended 30 September 2010

	Notes	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Gross rental income	4	22,012	22,008	44,002
Direct costs	5	(10,274)	(9,854)	(20,162)
Net rental income		11,738	12,154	23,840
Deficit on revaluation of investment properties	10	(1,710)	(17,336)	(29,969)
Administrative expenses	5	(1,985)	(2,138)	(5,147)
Other operating expenses	5	(1,026)	(833)	(2,143)
Operating profit/(loss)		7,017	(8,153)	(13,419)
Finance income	6	64	24	93
Finance expense	6	(8,981)	(8,534)	(17,460)
Change in fair value of derivative financial instruments		(1,500)	172	(940)
Loss before tax		(3,400)	(16,491)	(31,726)
Taxation	7	(234)	1,281	1,712
Loss for the period		(3,634)	(15,210)	(30,014)
(Loss)/profit attributable to:				
Owners of the Company		(3,908)	(14,277)	(29,889)
Non-controlling interests		274	(933)	(125)
Loss for the period		(3,634)	(15,210)	(30,014)
Earnings per share				
Basic and diluted, for comprehensive income for the period attributable to ordinary equity holders of the Parent Company	8	(1.29)c	(4.72)c	(9.89)c

The notes on pages 9 to 16 form an integral part of these financial statements.

Unaudited consolidated statement of financial position

as at 30 September 2010

	Notes	(Unaudited) 30 September 2010 €000	(Unaudited) 30 September 2009 €000	(Audited) 31 March 2010 €000
Non-current assets				
Investment properties	10	501,180	500,020	500,010
Investment property under construction	11	—	3,338	—
Plant and equipment		4,903	4,627	4,754
Total non-current assets		506,083	507,985	504,764
Current assets				
Trade and other receivables		8,292	11,213	12,110
Prepayments		479	901	133
Cash and cash equivalents	12	28,650	46,708	33,401
Total current assets		37,421	58,822	45,644
Total assets		543,504	566,807	550,408
Current liabilities				
Trade and other payables	13	(15,290)	(16,964)	(18,445)
Interest-bearing loans and borrowings	14	(7,383)	(101,671)	(6,860)
Current tax liabilities		(564)	(343)	(381)
Derivative financial instruments	15	(15,963)	(13,351)	(14,463)
Total current liabilities		(39,200)	(132,329)	(40,149)
Non-current liabilities				
Trade payables		—	—	(450)
Interest-bearing loans and borrowings	14	(299,001)	(210,250)	(300,930)
Deferred tax liabilities	7	(1,687)	(2,174)	(1,629)
Total non-current liabilities		(300,688)	(212,424)	(303,009)
Total liabilities		(339,888)	(344,753)	(343,158)
Net assets		203,616	222,054	207,250
Equity				
Issued share capital	16	—	—	—
Other distributable reserve		300,111	300,111	300,111
Retained earnings		(97,577)	(78,057)	(93,669)
Total equity attributable to the equity holders of the Parent Company		202,534	222,054	206,442
Non-controlling interests		1,082	—	808
Total equity		203,616	222,054	207,250

The notes on pages 9 to 16 form an integral part of these financial statements.

The financial statements on pages 5 to 16 were approved by the Board of Directors on 3 December 2010 and were signed on its behalf by:

Robert Sinclair
Director

Unaudited consolidated statement of changes in equity

for the six months ended 30 September 2010

	Issued share capital €000	Other distributable reserve €000	Retained earnings €000	Total equity attributable to the equity holders of the Parent Company €000	Non-controlling interests €000	Total equity €000
As at 31 March 2009	—	300,111	(63,780)	236,331	933	237,264
Loss for the period	—	—	(14,277)	(14,277)	(933)	(15,210)
As at 30 September 2009	—	300,111	(78,057)	222,054	—	222,054
Loss for the period	—	—	(15,612)	(15,612)	808	(14,804)
As at 31 March 2010	—	300,111	(93,669)	206,442	808	207,250
Loss for the period	—	—	(3,908)	(3,908)	274	(3,634)
As at 30 September 2010	—	300,111	(97,577)	202,534	1,082	203,616

The notes on pages 9 to 16 form an integral part of these financial statements.

Unaudited consolidated statement of cash flows

for the six months ended 30 September 2010

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Operating activities			
Loss before tax	(3,400)	(16,491)	(31,726)
Adjustments for:			
Deficit on revaluation of investment properties	1,710	17,336	29,969
Change in fair value of derivative financial instruments	1,500	(172)	940
Depreciation	414	208	610
Finance income	(64)	(24)	(93)
Finance expense	8,981	8,534	17,460
Cash flows from operations before changes in working capital	9,141	9,391	17,160
Changes in working capital			
Decrease/(increase) in trade and other receivables	3,401	(4,541)	(4,450)
Decrease in trade and other payables	(848)	(1,328)	(1,008)
Taxation paid	(33)	(346)	(290)
Cash flows from operating activities	11,661	3,176	11,412
Investing activities			
Purchase of investment properties	—	(1,347)	(1,442)
Development expenditure	(5,611)	(17,794)	(25,672)
Purchase of plant and equipment	(563)	(874)	(1,356)
Interest received	64	24	93
Cash flows used in investing activities	(6,110)	(19,991)	(28,377)
Financing activities			
Proceeds from loans	1,990	44,706	44,725
Repayment of loans	(3,900)	(3,468)	(8,222)
Finance charges paid	(8,392)	(7,367)	(15,789)
Cash flows from financing activities	(10,302)	33,871	20,714
(Decrease)/increase in cash and cash equivalents	(4,751)	17,056	3,749
Cash and cash equivalents at the beginning of the period	33,401	29,652	29,652
Cash and cash equivalents at the end of the period	28,650	46,708	33,401

The notes on pages 9 to 16 form an integral part of these financial statements.

Notes forming part of the financial statements

for the six months ended 30 September 2010

1. General information

Sirius Real Estate Limited (the "Company") is a Company incorporated and domiciled in Guernsey whose shares are publicly traded on AIM.

The consolidated financial statements of Sirius Real Estate Limited comprise the Company and its subsidiaries (together referred to as the "Group").

The principal activity of the Group is investment in and development of commercial property to provide flexible workspace in Germany.

The consolidated financial statements of the Group as at and for the year ended 31 March 2010 are available upon request from the Company's registered office at PO Box 119, Martello Court, Admiral Park, St. Peter Port, Guernsey GY1 3HB, Channel Islands or at www.sirius-real-estate.com.

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

2. Significant accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, investment properties under construction and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand ("€000") except where otherwise indicated.

The consolidated financial statements of the Group for the year ended 31 March 2010 have been prepared in accordance with IFRSs adopted for use in the EU ("Adopted IFRSs"), and The Companies (Guernsey) Law, 2008. The interim set of financial statements included in this interim report has been prepared in accordance with the recognition and measurement requirements of Adopted IFRSs. The interim set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 March 2010. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2010.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate financial resources to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly these consolidated financial statements have been prepared on a going concern basis as it is the view of the Directors that this is the most appropriate basis of preparation.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

All intra-group balances and transactions and any unrealised income and expenses and profits and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

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

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the Parent Company shareholders' equity.

(c) Significant accounting policies

The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2010.

3. Operating segments

Segment information is presented in respect of the Group's operating segments. The operating segments are based on the Group's management and internal reporting structure. Segment results and assets include items directly attributable to a segment as well as those that can be allocated to a segment on a reasonable basis.

Management considers that there is only one geographical segment which is Germany, and one business segment which is investment in commercial property.

Notes forming part of the financial statements continued

for the six months ended 30 September 2010

4. Revenue

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Rental income from investment properties	22,012	22,008	44,002

5. Operating profit/(loss)

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

Direct costs

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Service charge income	(12,431)	(10,849)	(26,570)
Property costs	20,432	18,126	41,726
Irrecoverable property costs	8,001	7,277	15,156
Property management fee	739	921	1,748
Asset management fee	1,476	1,486	2,998
Development fee	58	170	260
Direct costs	10,274	9,854	20,162

Administrative expenses

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Audit fee	100	100	251
Legal and professional fees	1,251	1,610	2,743
Other administration costs	285	428	904
Non-recurring costs	349	—	1,249
Administrative expenses	1,985	2,138	5,147

Other operating expenses

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Directors' fees	105	85	178
Bank fees	63	79	467
Depreciation	414	208	610
Marketing and other expenses	444	461	888
Other operating expenses	1,026	833	2,143

The Group has no full-time employees and the Board of Directors consists of Non-executive Directors. The employees working for the Group are all employed by Principle Capital Sirius Real Estate Asset Management Ltd, the Asset Manager, or Sirius Facilities GmbH, the German operating company of the Asset Manager.

6. Finance income and expense

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Bank interest income	64	24	93
Finance income	64	24	93
Bank interest expense	(8,447)	(7,971)	(16,355)
Amortisation of capitalised finance costs	(534)	(563)	(1,105)
Finance expense	(8,981)	(8,534)	(17,460)
Net finance expense	(8,917)	(8,510)	(17,367)

7. Taxation

Consolidated statement of comprehensive income

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Current income tax			
Current income tax charge	292	300	438
Adjustments in respect of prior period	(116)**	(1,273)*	(1,297)*
	176	(973)	(859)
Deferred tax			
Relating to origination and reversal of temporary differences	58	(308)	(853)
Income tax charge/(credit) reported in the statement of comprehensive income	234	(1,281)	(1,712)
Deferred income tax liability			
	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Opening balance	1,629	2,482	2,482
Revaluation of investment properties to fair value	58	(308)	(853)
Balance as at period end	1,687	2,174	1,629

* During the period under review the German government made tax changes in light of an economic growth programme. The most important change for the Group is the increase of the interest threshold from €1 million to €3 million retrospectively from 1 January 2008.

** This relates to refunds of prior year tax which have not been included in the March 2010 accrual.

Management does not recognise deferred tax assets in respect of revaluation losses as they may not be used to offset taxable profits elsewhere in the Group.

Notes forming part of the financial statements continued

for the six months ended 30 September 2010

8. Earnings per share

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

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Earnings			
Loss for the period attributable to the equity holders of the parent	(3,908)	(14,277)	(29,889)
Basic and diluted earnings	(3,908)	(14,277)	(29,889)
Add back revaluation deficits (net of related tax)	1,721	16,362	29,093
Add back change in fair value of derivative financial instruments	1,500	(172)	940
Add back non-recurring costs	349	—	1,499
Adjusted earnings	(338)	1,913	1,643
Number of shares			
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	302,223,176	302,223,176	302,223,176
Weighted average number of ordinary shares for the purpose of adjusted earnings per share	302,223,176	302,223,176	302,223,176
Basic and diluted earnings per share	(1.29)c	(4.72)c	(9.89)c
Adjusted earnings per share	(0.11)c	0.63c	0.54c

The number of shares has been adjusted for the 25,576,824 shares held by the Company as Treasury Shares.

The Directors have chosen to disclose adjusted earnings per share in order to provide a better indication of the Group's underlying business performance; accordingly it excludes the effect of non-recurring costs, deferred tax and the revaluation deficits on the investment properties and derivative instruments.

The adjusted earnings per share is in compliance with the European Public Real Estate Association ("EPRA") measures.

As there are no share options in issue, the diluted earnings per share is identical to the basic earnings per share.

9. Net assets per share

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Net assets			
Net assets for the purpose of assets per share (assets attributable to the equity holders of the parent)	202,534	222,054	206,442
Deferred tax arising on revaluation of properties	1,685	2,174	1,629
Derivative financial instruments	15,963	13,351	14,463
Adjusted net assets attributable to equity holders of the parent	220,182	237,579	222,534
Number of shares			
Number of ordinary shares for the purpose of net assets per share	302,223,176	302,223,176	302,223,176
Net assets per share	67.01c	73.47c	68.31c
Adjusted net assets per share	72.85c	78.61c	73.63c

The number of shares has been adjusted for the 25,576,824 shares held by the Company as Treasury Shares.

The adjusted net assets per share is in compliance with the European Public Real Estate Association ("EPRA") measures.

10. Investment properties

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Opening balance	500,010	500,400	500,400
Additions	2,880	16,956	29,579
Deficit on revaluation of investment properties	(1,710)	(17,336)	(29,969)
Balance as at period end	501,180	500,020	500,010

The fair value of the Group's investment properties at 30 September 2010 has been arrived at on the basis of a valuation carried out at that date by DTZ Zadelhoff Tie Leung GmbH, an independent valuer.

The value of each of the properties has been assessed in accordance with the RICS Valuation Standards on the basis of market value. Market value was primarily derived using a ten-year discounted cash flow model supported by comparable evidence. The discounted cash flow calculation is a valuation of rental income considering non-recoverable costs and applying a discount rate for the current income risk over a ten-year period. After ten years a determining residual value (exit scenario) is calculated. A cap rate is applied to the more uncertain future income, discounted to a present value.

11. Investment property under construction

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Opening balance	—	2,222	2,222
Additions	—	1,116	—
Transfers	—	—	(2,222)
Balance as at period end	—	3,338	—

12. Cash and cash equivalents

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Cash at banks and in hand	28,650	46,708	33,401
Balance as at period end	28,650	46,708	33,401

As at 30 September 2010, €11,893,160 (31 March 2010: €6,477,671) of cash is held in blocked accounts. Of this €1,426,187 (31 March 2010: €1,702,076) is under control of lenders who release this to the Group upon request to be used for capital expenditure on properties. €1,121,923 (31 March 2010: €968,769) relates to deposits received from tenants and €15,546 (31 March 2010: €15,507) is cash held on escrow as requested by a supplier.

The remainder of €9,329,504 (31 March 2010: €3,791,319) relates to cash trapped as part of the bank covenant of the ABN Amro Bank N.V. loan being below the required interest coverage ratio of 1.30. On 15 October 2010 the Group made an early repayment of €1,111,606 which resulted in the interest coverage ratio going above 1.30 and resolving the cash trap. Consequently the relevant blocked cash has been released by the bank.

Notes forming part of the financial statements continued

for the six months ended 30 September 2010

13. Trade and other payables

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Trade payables	4,559	4,770	8,394
Accrued expenses	3,571	6,652	3,585
Accrued interest	2,416	2,282	2,401
Other payables	3,411	2,231	3,430
Related party payables	1,333	1,029	635
Balance as at period end	15,290	16,964	18,445

14. Interest-bearing loans and borrowings

	Effective interest rate %	Maturity	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Current					
ABN Amro Loan	5.85	15 October 2012	2,030	98,115	1,808
Berlin-Hannoversche Hypothekbank AG – fixed rate facility	5.36	30 March 2013	1,271	997	1,161
Berlin-Hannoversche Hypothekbank AG – hedged floating rate facility	Hedged floating	31 March 2013 – 31 December 2013	3,894	4,866	3,778
Berlin-Hannoversche Hypothekbank AG – capped floating rate facility	Capped floating	31 December 2013	1,251	—	1,216
Capitalised finance charges on all loans			(1,063)	(2,307)	(1,103)
			7,383	101,671	6,860
Non-current					
ABN Amro Loan	5.85	15 October 2012	93,414	—	94,484
Berlin-Hannoversche Hypothekbank AG – fixed rate facility	5.36	30 March 2013	49,787	49,219	48,498
Berlin-Hannoversche Hypothekbank AG – hedged floating rate facility	Hedged floating	31 March 2013 – 31 December 2013	115,136	162,512	117,120
Berlin-Hannoversche Hypothekbank AG – capped floating rate facility	Capped floating	31 December 2013	42,248	—	42,891
Capitalised finance charges on all loans			(1,584)	(1,481)	(2,063)
			299,001	210,250	300,930
Total			306,384	311,921	307,790

The Group has pledged 34 investment properties to secure related interest-bearing debt facilities granted to the Group. The 34 properties had a combined valuation of €461,330,000 as at 30 September 2010.

ABN Amro Bank N.V.

This facility had €100,951,940 drawn down, of which €5,508,171 has been amortised to date, resulting in a liability of €95,443,769 as at 30 September 2010. The interest is fixed at a weighted average interest rate of 5.85% per annum. The final repayment date of the latest drawdown is 15 October 2012. This loan is secured over 16 property assets and is subject to various covenants with which the Group has complied. Reference about the cash trap is made in note 12 cash and cash equivalents.

14. Interest-bearing loans and borrowings (continued)

Berlin-Hannoversche Hypothekbank AG

During the period under report the Group received a new facility of €2,500,000 of which €2,000,000 is drawn down. This facility is an addition to Portfolio I. In total facilities of €226,500,000 have been granted by Berlin-Hannoversche Hypothekbank AG, of which €500,000 is not drawn down yet. To date €12,413,001 has been amortised, resulting in a liability of €213,586,999 at September 2010.

The facility is split into three portfolios: Portfolio I is split with either an interest rate of 1.18 margin over three months EURIBOR fixed by a SWAP at 4.42%, or a fixed rate of 5.46%. The new drawdown has a fixed rate of 2.81% for the latest loan facility. Portfolio II has an interest rate of 1.08 margin over three months EURIBOR fixed by a SWAP at 4.95%, and Portfolio III is at a floating rate capped at 5.98%. This facility is secured over 18 property assets and is subject to various covenants with which the Group has complied.

15. Financial instruments

Fair values

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

	(Unaudited) six months ended 30 September 2010		(Unaudited) six months ended 30 September 2009		(Audited) twelve months ended 31 March 2010	
	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000	Carrying amount €000	Fair value €000
Financial assets						
Cash	28,650	28,650	46,708	46,708	33,401	33,401
Trade receivables	3,464	3,464	3,088	3,088	6,112	6,112
Financial liabilities						
Trade payables	4,559	4,559	4,770	4,770	8,394	8,394
Derivative financial instruments	15,963	15,963	13,351	13,351	14,463	14,463
Interest-bearing loans and borrowings:						
Floating rate borrowings – hedged*	119,030	119,030	122,695	122,695	120,898	120,898
Floating rate borrowings – capped**	43,499	43,499	44,682	44,682	44,107	44,107
Fixed rate borrowings	146,502	154,276	148,332	157,586	145,951	156,662

* The Group holds interest rate swap contracts designed to manage the interest rate and liquidity risk of expected cash flows of borrowing for the Group's variable rate facility with Berlin-Hannoversche Hypothekbank AG. The swap contracts mature at the same time as the loans between March and December 2013.

** The Group holds interest rate caps designed to manage the interest rate and liquidity risk of expected cash flows of borrowing for the Group's variable rate facility with Berlin-Hannoversche Hypothekbank AG. The cap contracts mature at December 2013, the same time as the loans.

16. Issued share capital

	Number	Share capital
Authorised		
Ordinary shares of no par value	Unlimited	—
As at 30 September 2010	Unlimited	—
Issued and fully paid		
Ordinary shares of no par value	327,800,000	—
Share brought back and held in treasury	(25,576,824)	—
As at 30 September 2010	302,223,176	—

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

The Company holds 25,576,824 of its own shares which continue to be held as treasury. No share buy backs were made in the period.

Notes forming part of the financial statements continued

for the six months ended 30 September 2010

17. Dividends

	(Unaudited) six months ended 30 September 2010 €000	(Unaudited) six months ended 30 September 2009 €000	(Audited) twelve months ended 31 March 2010 €000
Dividend	—	—	—

In order to sustain investment in the Group's portfolio whilst also ensuring cash resources are preserved, the Board has proposed to not pay a dividend in the period ended 30 September 2010.

18. Capital commitments

As at 30 September 2010 the Group had contracted capital expenditure on existing properties of €1,793,670. These were committed but not yet provided for.

19. Carried interest

Marba Holland B.V. is a joint venture between a subsidiary of Principle Capital Holdings S.A., Frank and Kevin Oppenheim and certain other individuals. Marba Holland B.V. has a right to carried interest. In any year Marba Holland B.V. is not entitled to any carried interest unless the Group's net asset value total return per ordinary share has increased by an amount equal to the performance hurdle applicable to that financial year.

For the period ended September 2010 the performance hurdle applicable is calculated as 10% above the higher of the following two conditions:

- the average of the net asset values per ordinary share at the end of 31 March 2008 and 31 March 2009; and
- the net asset value per ordinary share at the end of 31 March 2009.

If the hurdle is achieved then Marba Holland B.V. will be entitled to 20% of the amount by which the performance hurdle is exceeded by the Group in respect of that financial period. The carried interest will also be payable on the occurrence of certain other events, such as a take over or liquidation of the Group.

No amount has been provided as at 30 September 2010 as the minimum hurdle rate required has not been achieved.

Shareholder information and corporate details

Directors

Richard David Kingston
(Non-executive Chairman)

Christopher Norman Fish
(Non-executive Director)

Robert Archibald Gilchrist Sinclair
(Non-executive Director)

Walter Emiel Rosa Hens
(Non-executive Director)

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Registered number

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Company secretary and administrator

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