



financial statements 2009

tcn urop se



what's in here?

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directors report

tcn urop se

General

TCN UROP SE is active in project development and real estate investments. The company operates through its subsidiaries in the Netherlands, the United Kingdom, Germany, Austria and Spain.

The main activities, both in asset value and revenues, are concentrated in the Netherlands (approximately 80%). In the Netherlands the real estate activities are concentrated in TCN Assets B.V., the asset holding company. Personnel and other activities are concentrated in TCN Property Projects B.V.

The activities in other European Countries are operated through partnerships with local project developers. In general TCN UROP holds a 50% to 65% stake in these activities.

Market development in 2009

This year was a year of consolidation. We got over the shock of the credit squeeze and were able to scramble the organization towards a new operational level. The operational result of the assets of TCN, producing a stable rental income, provided the base for the survival of the company in this financially most difficult year. The situation of the real estate industry could best be described as "the perfect storm": the converging of two depressions into one challenging market event.

The financial crisis had a major impact in the ability of banks to provide project financing; there is even a strong preference to withdraw as much financing out of the real estate market as possible. We have seen a swift and major change in the strategy and organization of all our banking relations. Old relations disappeared, we experienced much less friendly relationships with new account managers and the focus of banks has been on lower exposure. Although it has to be said that some of our banks have been very loyal to TCN and have given us in an early stage the trust required to weather the storm. However the world of endless credit has gone forever and so has the time of ambitious new real estate investments.

We also came in 2010 to understand the bubble on which most of the real estate market was floating. The beginning of the 21st century came with an oversupply of project financing and an over optimism of real estate companies of the market potential. There is, because of this, not only an oversupply of many segments of the commercial market; the products that have been developed do not fit the needs of these times. On top of that the economic crisis has now fully hit all sectors of our society and the willingness of our customers to enter into a real estate transaction has reached a historical low point.

At the same time this disfunctionality and the demand for quick solutions of our customers to deal with the current situation creates new opportunities and TCN has the creativity and ability to adapt the business model to this new sea of opportunities.

Business

TCN has always concentrated the business operations on the deliverance of real estate that fit the needs of specific target groups. Our work is not about building but offering solutions. We see at this moment a market in The Netherlands and elsewhere in Europe with an abundance of overvalued real estate and a mismatch with the limited demand. Our business strategy for the coming years is based on maintaining and were possible growing the value of our remaining assets and acquiring new projects in which we can connect existing real estate with the demand for new real estate products. The current low values in the market make it possible to redevelop real estate into new products that are first of all functional for this new

market, as well as flexible and affordable. This is called creating your own market. Key issues in the current demand are the greening of the real estate, a managing strategy for long-term sustainability of companies and corporate assets and improving the overall quality of the environment inside and outside. At the lowest possible price and with as much flexibility as possible.

A challenge at this moment is finding financing and tactical approach of our projects is first of all creating trust with our financiers as well as other stakeholders. If anything in 2009 TCN has shown to be extremely effective by finding, even in this bear market, new customers for 130.000 m2 of our assets. About 40% of this was even new development. Most successfully were our data centre activities, our thematic business parks and the redevelopment of industrial sites. This commercial success will offer TCN a (re) development value potential of 500 million Euro. This will contribute about 30 million Euro result in the coming years. About 80 million Euro result is expected out of the management and development of the Platforms. In 2009 we have also further reduced our exposure to legal and financial liabilities as a result of past activities. We have had some extreme challenges, but were able to reach a stable situation at the end of the year. At this moment there are a no immediate threats.

The activities of TCN are largely concentrated in The Netherlands, but we maintain a substantial presence in the UK and activities in Spain, Germany and Austria. The main activities of TCN will be; themed business parks, retail parks, government related development (schools), datacenters, B2B and Care. Every 6 months these main areas of activities will be evaluated for progress and market potential.

TCN has developed in 2009 a 3-year strategic plan for its stakeholders that show the rebound of the company towards pre-crisis levels, although with a different company, a different business model and a new approach to the market.

Organization

The "gardening your assets" approach started in 2008 and the strategy of full transparency towards our financial stakeholders were the right choice to maintain business operations. We have in 2009 furthermore split our portfolio in Pyramids and Platforms. We have identified 26 projects, or platforms, with high potential to adapt to the new market situation. These projects are self-sustainable and have a value potential of at least 20%. The new platform structure makes it possible for various stakeholders: financiers, tenants, investors, and suppliers to cooperate at project level and to make the opportunities of the asset accessible to more parties. About 10 employees are active on these platforms: each platform is managed by one of the current 7 partners.

The other 40 plus TCN projects are considered mature. Although TCN has very few projects with values below the outstanding mortgage, we have chosen to sell these projects in order to concentrate on the high potentials and to create room for new products for the new market. We have appointed 7 partners in the company because of their entrepreneurial skills to run the Platforms and concentrate the development and management activities as much as possible at project level.

A dedicated team of 20 persons, with outside support, is selling the pyramids.

At the same time we have been reducing the organization in order to become self-sustainable given the regular real estate related income. We have decided to move out of our current head office, that was successfully leased to an Internet retailer, and find a new office suitable for our current requirements.

We expect that we have currently reached the most efficient operational structure; any increase in business will require the hiring of new employees. The restructuring has led to a reduction in costs of 63.8%.



We have setup our organizational structure as follows:

Strategic level: Financing, Operational and Strategic partner meetings

Tactics level: Platform partners

Operational; Project teams.

Result 2009

The result 2009 amounts to € 4.3 million negative (2008: € 69.7 million negative). The main factors affecting the result 2009 are the downward valuation of real estate (€ 6.8 million) versus an positive revaluation of our datacenters and other projects resulting in a net positive valuation of € 6.4 million.

A positive surprise were the low interest rates, although partly offset by higher surcharges by banks. We anticipate an increase in rental rates over the next years and will be working on hedging the financial risks.

We expect the costs of the organization to go down further due to the move out of the current head office and the more direct project approach of the organization.

Cash flow and financing

In 2010 TCN will achieve further stabilizing of the financial situation and a positive cash position. We have asked our banks to extend the current facilities and reduce the costs of financing and to reduce the cash requirements (down payments of debt), until the sale of assets. Given the positive response to our strategic plan and to our current operation we expect a more friendly relation with our financial stakeholders in 2010, we even have seen the first indications of a willingness to provide new project financing. There are no major refinancing challenges foreseen in 2010.

To realize a break-even cash flow in 2010 TCN has actively negotiated during 2009 and early 2010 with its project financiers in the Netherlands regarding the redemption payments on project-mortgages and loans. There where TCN is 100% owner of the project we have come to an agreement with our financiers that for the period of one year up to April 1, 2011, TCN will not have to pay the regular redemptions. With the corporate and project financiers it is agreed that any funds from the sale of real estate that are in excess of the current credit facilities will be used to repay outstanding redemption payments. Despite this agreement TCN is dependent on the planned sale of real estate projects and the realization of the cost reductions to realize a break-even/ positive cash flow. Our sales team has identified € 10 million cash release from assets that are up for divestment in 2010.

Outlook

It feels like summer in many ways within TCN. It gives us a new boost and more than ever a positive outlook towards the coming years. More important we see a clear role for TCN in the new market. Our skills, track record and creativity are highly appreciated in the market. But most importantly we are extremely grateful and proud for the very special commitment of our employees. Without their positive approach and trust, we never would have succeeded. That asset of TCN is invaluable.

Utrecht, June 30, 2010

Rudy Stroink,
Chief Executive Officer

Tom Weghorst
Director

Arnoud van Raak
Director

financial statements

tcn urop se

Consolidated balance sheet as at December 31, 2009 (Before proposed profit appropriation)

			2009	2008
ASSETS	x € thousand			
	FIXED ASSETS			
	Intangible fixed assets	1	536	895
	Tangible fixed assets	2	574,335	691,945
	Financial fixed assets	3	52,410	21,612
			<u>627,281</u>	<u>714,452</u>
	CURRENT ASSETS			
	Development projects	4	8,445	622
	Receivables	5	28,599	53,158
	Cash and cash equivalents	6	12,430	15,725
			<u>49,474</u>	<u>69,505</u>
	TOTAL		<u>676,755</u>	<u>783,957</u>
			2009	2008
EQUITY AND LIABILITIES	x € thousand			
	SHAREHOLDERS' EQUITY	7	18,669	22,133
	MINORITY INTEREST	8	14,798	9,780
	PROVISIONS	9	30,128	34,989
	LONG-TERM LIABILITIES	10		
	Subordinated loans		35,788	32,950
	Long-term loans		87,141	83,169
	Mortgages		396,542	464,956
			<u>519,471</u>	<u>581,075</u>
	SHORT-TERM LIABILITIES			
	Short-term borrowings	11	46,396	62,100
	Current liabilities	12	47,293	73,880
			<u>93,689</u>	<u>135,980</u>
	TOTAL		<u>676,755</u>	<u>783,957</u>



Consolidated profit and loss account for the year 2009

		2009	2008
x € thousand			
NET SALES	14	103,833	117,500
Cost of sales		(61,805)	(59,735)
GROSS MARGIN	15	42,028	57,765
REVALUATION REAL ESTATE INVESTMENTS	16	6,374	(32,408)
SALE OF REAL ESTATE INVESTMENTS		48,375	52,153
Stated value sold real estate investments		(44,544)	(44,626)
		3,831	7,527
GROSS MARGIN		52,233	32,884
Amortization and depreciation	17	(8,670)	(19,744)
General and administrative expenses	18	(21,971)	(60,772)
		(30,641)	(80,516)
OPERATING RESULT		21,592	(47,632)
Financing charges	20	(16,357)	(35,613)
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,235	(83,245)
Taxes	21	(167)	11,708
		5,068	(71,537)
Result of non-consolidated participating interests	22	(8,737)	(3,222)
RESULT AFTER TAXATION		(3,669)	(74,759)
Result third party interest		(648)	5,075
NET RESULT		(4,317)	(69,684)

Consolidated cash flow statement for 2009

x € thousand	2009	2008
OPERATING ACTIVITIES		
Net result	(4,317)	(69,684)
Revaluation	(6,374)	32,408
Amortization and depreciation	8,438	19,644
Waivers of loans	(7,808)	-
Share of result of participations	9,293	(2)
Minority interest in result	5,018	(5,262)
	<u>4,250</u>	<u>(22,896)</u>
Cash flow		
Other adjustments to reconcile net profit to net cash provided by operations:		
- change in working capital	(720)	23,100
- change in provisions	1,990	(6,425)
	<u>1,270</u>	<u>16,675</u>
	<u>5,520</u>	<u>(6,221)</u>
INVESTING ACTIVITIES		
Investments in intangible fixed assets	(5)	(574)
Investments in tangible fixed assets	(27,287)	(125,235)
Sales tangible fixed assets	52,050	53,190
Investments in financial fixed assets	(11,222)	(7,441)
Divestments in financial fixed assets	380	902
	<u>13,916</u>	<u>(79,158)</u>
Net cash used for investments		
FINANCING ACTIVITIES		
Dividend paid	676	(2,612)
New long-term borrowings	34,701	123,915
Repayment of long-term borrowings	(39,614)	(47,398)
Change in short-term borrowings	(15,704)	6,702
	<u>(19,941)</u>	<u>80,607</u>
Net cash used in financing activities		
Change in cash and cash equivalents	<u>(505)</u>	<u>(4,772)</u>
Cash and cash equivalents at the beginning of the year	15,725	20,497
Cash included in entities disposed of during the year	(2,790)	-
	<u>12,430</u>	<u>15,725</u>
Cash and cash equivalents at the end of the year		

See note 23 for an analysis of the cash flow statement.



Schedule total result for 2009

	2009	2008
Consolidated net result	(4,317)	(69,684)
Direct changes in equity	177	(2,026)
Total result	(4,140)	(71,710)

Notes to the consolidated financial statements

General

TCN UROP SE is a Societas Europaea, a European public limited company and is registered in Utrecht, the Netherlands.

The company is a holding company: the principal activities of the group consist of Asset Development.

Basis of preparation

The financial statements are prepared on the basis of the legal requirements as set out in Book 2, part 9 of the Netherlands Civil Code.

Application of section 402, book 2 of the Netherlands civil code (BW)

The financial information of TCN UROP SE (herein TCN) is included in the consolidated financial statements. For this reason, in accordance with section 402, Book 2, Part 9 of the Netherlands Civil Code, the profit and loss account of TCN UROP SE exclusively states the share in the result after taxation of companies in which participating interests are held and the general result after taxation.

Going concern

The going concern assumption was applied during the preparation of these financial statements. This assumption was based on:

- ❖ The agreement with project and corporate financiers regarding the redemption of project loans and mortgages. This results in a postponement of redemptions in the year 2010 or beyond for 100% TCN projects.
- ❖ Reduction of exposure in the foreign partnerships by the reduction of the project pipeline and associated future liabilities, write down of receivables and projects and reduced funding of operations and projects.
- ❖ Planned divestment program generating cash for the funding of the operations in 2010.

Despite these measures TCN will be dependent on its divestment program in 2010 to generate sufficient cash flow. TCN plans to sell assets in 2010 that, after repayment of financing thereon, will generate a net cash flow of € 10 million.

TCN and its financiers have ongoing constructive negotiations in which they continuously aim to find mutually acceptable solutions regarding the redemption and restructuring of the debt portfolio. To realize a break-even cash flow in 2010 TCN has actively negotiated during 2009 and early 2010 with its project financiers in the Netherlands regarding the redemption payments on project-mortgages and loans. There where TCN is 100% owner of the project we have come to a collective agreement with our financiers that for the period of one year up to April 1, 2011, TCN will not have to pay the regular redemptions. With the corporate an project financiers it is agreed that any funds from the sale of real estate that are in excess of the current credit facilities will be used to repay outstanding redemption payments.

For more detailed information we refer to the Directors report.



Comparitative figures

Where necessary, the figures for 2008 have been reclassified in order to permit comparability with 2009.

Change in contract Mediapark Enterprise B.V.

As of the end of November 2009 the contract between the shareholders of Mediapark Enterprise B.V. has been changed. As a consequence of this change TCN UROP SE could not consolidate Mediapark Enterprise B.V. proportionally. At year end the group company Mediapark Enterprise B.V. is classified under the non-consolidated participating interest. The result of Mediapark Enterprise B.V. has been recognized in the financial statements up until November 2009.

Accounting policies

General

The principles adopted for the valuation of assets and liabilities and determination of the result, insofar as not stated otherwise, are based on the historical cost convention.

Unless otherwise stated, all amounts are in thousands of Euros.

Basis of consolidation

Group companies

The consolidated financial statements include the accounts of TCN UROP SE, its group companies and other companies controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financing and operating policies of an entity so as to obtain benefits from its activities. Group companies are participating interests in which TCN UROP SE has a direct or indirect controlling interest. In assessing whether controlling interest exists, potential voting rights that presently are exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The assets and liabilities of participating interests acquired during the year are included at their fair value at the time of acquisition. The results of these participating interests are recognized as from the date of acquisition.

The group companies are consolidated in full with minority interest presented within group equity separate from parents' equity.

Joint ventures

Joint ventures in which TCN has joint control are consolidated proportionally.

Elimination of transactions with group companies and joint ventures

Balance sheet items and profit and loss items from intercompany transactions are eliminated (proportionally) in the consolidated financial statements.

A list of participating interests, drawn up in conformity with sections 379 and 414, Book 2, Part 9 of the Netherlands Civil Code, has been filed with the Trade Register in Utrecht, the Netherlands.

Foreign currency transactions

Transactions denominated in foreign currency are translated into the relevant functional currency of the group company at the exchange rate applicable on the transaction date. Monetary receivables and debts are translated at the exchange rate applicable at balance sheet date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euro's at the applicable exchange rates on the transaction date. Exchange rate differences are included in the profit and loss account as exchange results.

Foreign operations

For consolidation purposes assets and liabilities of foreign operations including goodwill and fair value adjustments arising on consolidation are translated into euro's at exchange rates applying on reporting date. Income and expenses of foreign operations are translated into euro's at average rates. Translation gains and losses are taken into the reserve for exchange rate differences as direct movements in equity. If a foreign operation is totally or partially sold the accompanying exchange rate differences are charged to the profit and loss account.

The main exchange rate used as at December 31, 2009 are € 1.00 = GBP 0.9009 (2008: € 1.00 = GBP 0.9735).

Intangible fixed assets

Goodwill represents the difference between the acquisition price and the fair value of the acquired assets and liabilities at the date of the acquisition. Goodwill is amortized on a straight-line basis over its estimated useful life with a maximum of five years. If the realizable value gives cause, additional amortization is applied.

If the acquisition price is below the fair value of the acquired assets and liabilities, the difference is presented as a liability (badwill). It will be taken to income if the factors which caused the difference are no longer in force or that the losses to which the difference relate can be matched. In circumstances that badwill cannot be matched it will be directly released to profit and loss.

Software is valued at cost less depreciation. Depreciation is calculated on the straight line method based upon the economic life of the assets. The estimated useful life is 3 years.

Tangible fixed assets

Land and buildings and other tangible fixed assets

Land, buildings and other tangible fixed assets for the group's own use are valued at cost less depreciation. Depreciation is calculated on the straight line method based upon the economic life of the asset. The estimated economic life of buildings ranges from 20 to 30 years. The estimated economic life of other tangible fixed assets ranges from 2 to 5 years. Land is not depreciated. Land which is part of real estate consisting of a complex of buildings and land is classified as real estate investments and valued accordingly.

Real estate investments

Real estate investments are valued at market value based upon appraisals made by independent experts. The change in market value is recognized through the profit and loss account. If the specific circumstances of for less significant real estate investments have not been changed during the financial year, the investments are valued internally.

The real estate investment portfolio is appraised at each year end; the appraisals are based upon the average of the discounted cash flow method and the rent capitalization method.

The company only appoints external appraisers that are listed as 'State certified General Real Estate Appraiser' for the state in which the property is located.

Construction in progress

Construction in progress consists of real estate projects in pre-development as well as (re)development. Real estate projects are classified as construction in progress until the (re-) development has been completed. All costs related to the purchase and completion of a real estate project as well as the subsequent investments for development are capitalized with a surcharge for overhead costs (project management costs), less any provision for foreseeable losses if deemed necessary. External interest is allocated to construction in progress at the applicable interest rates of the loans contracted for the specific projects. Received rent shall be deducted from the value of the asset, and after a transition to Real estate investments presented as rental income.



Financial fixed assets

Non-consolidated participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. The net asset value is calculated on the basis of TCN's accounting policies. If the data necessary for the determination of the result in accordance with the principles of valuation of TCN are not available, the non-consolidated participating interests are valued at disclosed net equity.

Other investments in which the group does not have a significant influences, are valued at the lower of acquisition cost or market value.

Long-term receivables are shown at face value, if necessary after deduction of a value adjustment.

Impairment

Assets with a long life are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount is estimated. The recoverable amount is calculated as the present value of estimated future cash flows, discounted at the effective interest rate or the fair value less cost of to sell whichever is the higher. If the book value of an asset exceeds the recoverable amount, impairment is charged to the result equal to the difference between the carrying amount and recoverable amount. Assets held for sale are measured at the carrying amount or lower market value, less selling costs.

Development projects

Included in the valuation of projects in progress are the costs which directly relate to the specific project (for example, personnel costs for employees whose activities relate directly to the project, costs of materials used in construction, costs of land and sites, and depreciation of installations and equipment used on the project), the costs which are attributable to project activity in general and can be allocated to the project (including insurance, costs of design and technical assistance, construction overheads, and the interest on debt attributable to the project during the period), as well as other costs chargeable to the customer under the terms of the project. Revenues, costs and profit taking in respect of the projects in progress are recognised with respect to the activity performed to complete the project as at balance sheet date (percentage of completion method). Expenses related to project costs which will lead to activities to be performed after the balance sheet date are recognised as assets if it is probable that they will lead to revenue in a subsequent period. Expected losses on the construction contract are recognised directly as an expense in the profit and loss account.

Receivables

Receivables are stated at amortised cost using the effective interest method, less a provision for doubtful debts. Provisions are determined on basis of individual assessment of recoverability of the receivable.

Shareholders' equity

Revaluation reserve

The revaluation reserve relates to value increase of assets that are valued at fair value. A revaluation reserve is recorded for each individual asset and is not higher than the difference between the fair value on the historical cost . If an asset is disposed of, the related revaluation reserve is released to other reserves. Within the calculation of the revaluation reserve the amount for deferred tax liabilities is offset at the effective tax rate.

Minority interests

Minority interests are valued at net asset value, which is determined in accordance with group's the accounting principles.

Provisions

Deferred taxes

Deferred tax assets and liabilities relate to temporary differences between the valuation of assets and liabilities for financial reporting and for tax purposes. Deferred tax assets arising from losses carried forward are recognized to the extent that future taxable profits will be available against which tax losses can be utilized. Deferred tax are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The deferred tax assets and liabilities are valued at net present value taking into account applicable tax rates. Deferred tax assets and liabilities with equal recognition-terms and which relate to the same fiscal entity are netted.

Pensions

Pension arrangements involving a defined contribution scheme are insured with underwriters. There is no actuarial risk for the company; consequently the pension charge is equal to the annual amount of contribution payable. Certain pension commitments are insured with a pension fund. The company cannot be held liable for actuarial results or deficits in the fund. The commitments are funded by annual contributions charged by the pension fund to the company.

Other provisions

Other provisions include a provision for restructuring and a provision for loss making contracts.

A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for loss making contracts is recognized when the company has entered in contracts which will lead to future losses. The provision is calculated at the net present value.

Derivatives

Derivatives are measured at cost. Derivatives which are concluded for hedging purposes are taken into account in the determination of the result on the hedged transaction.

Current liabilities

Financial commitments that are not held for trading purposes are carried at amortised cost using the effective interest rate method.

Net sales

Rental income from investment property is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

Cost of sales

Cost of sales comprises the cost directly related to the net sales.

Revaluation real estate investments

Revaluation of real estate investments relates to the increase or decrease of the value of the real estate investment portfolio in the financial year.

Sale of real estate investments

Sale of real estate investments relates to the revenue from the sale of real estate investments reduced by the stated value.

Stated value sold real estate investments

The stated value of sold real estate investments includes the book value of the asset and additional costs relating to the sale of the asset.

**Financing charges**

Financing charges comprise interest attributable to the accounting period on borrowings, other debts and cash and bank balances. The interest charge for borrowings is calculated using the effective interest method.

Taxation

Taxation on income comprises current and deferred taxes. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for tax purposes.

The effect of changes in tax rates is included under this item.

Result of non-consolidated participating interests

Result of non-consolidated participating interests consists of TCN's share in the net result of these companies.

The results of non consolidated participating interests acquired or sold during the financial year are stated in the result from the date of acquisition or until the date of sale respectively.

Principles for the cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash flows from financial derivatives that are stated as fair value hedges are attributed to the same category as the cash flow from the hedged balance sheet items. Cash flow from financial derivatives to which hedge accounting is no longer applied are categorized in accordance with the nature of the instrument as from the date on which the hedge accounting is ended.

Notes to the consolidated balance sheet as at December 31, 2009

(1) Intangible fixed assets

	Goodwill	Software	Other	Total
Balance at December 31, 2008				
Cost of acquisition	6,598	1,133	625	8,356
Amortization	(6,412)	(924)	(125)	(7,461)
	<u>186</u>	<u>209</u>	<u>500</u>	<u>895</u>
Book value	186	209	500	895
Changes in book value				
Investments	-	5	-	5
Amortization	(6)	(87)	(42)	(135)
Consolidation/(Deconsolidation)	(171)	(58)	-	(229)
	<u>(177)</u>	<u>(140)</u>	<u>(42)</u>	<u>(359)</u>
Total changes	(177)	(140)	(42)	(359)
Balance at December 31, 2009				
Cost of acquisition	6,427	1,080	625	8,132
Amortization	(6,418)	(1,011)	(167)	(7,596)
	<u>9</u>	<u>69</u>	<u>458</u>	<u>536</u>
Book value	9	69	458	536

The other intangible fixed assets relates to usage rights.



(2) Tangible fixed assets

	Buildings and land	Real estate investments	Construction in progress	Other	Total
Balance at December 31, 2008					
Cost of acquisition	14,303	363,156	239,430	23,711	640,600
Revaluation	1,650	86,286	-	-	87,936
Depreciation	(752)	-	(32)	(17,546)	(18,330)
Exchange rate differences	-	(9,251)	(8,753)	(257)	(18,261)
Book value	15,201	440,191	230,645	5,908	691,945
Changes					
Investments	-	3,820	22,046	1,421	27,287
Divestments	(1,151)	-	(183)	(2,493)	(3,827)
Consolidation (Deconsolidation)	(157)	(90,729)	(698)	(1,119)	(92,703)
Revaluation	-	6,374	-	-	6,374
Depreciation	(46)	(7)	-	(1,670)	(1,723)
Write down of projects	-	-	(6,580)	-	(6,580)
Sales	-	(48,223)	-	-	(48,223)
Reclassification	(1,258)	45,476	(44,093)	(125)	-
Exchange rate differences	-	1,783	2	-	1,785
Total changes	(2,612)	(81,506)	(29,506)	(3,986)	(117,610)
Balance at December 31, 2009					
Cost of acquisition	11,737	273,493	209,922	21,395	516,547
Revaluation	1,650	92,660	-	-	94,310
Depreciation	(798)	-	(32)	(19,216)	(20,046)
Exchange rate differences	-	(7,468)	(8,751)	(257)	(16,476)
Book value	12,589	358,685	201,139	1,922	574,335
Depreciation rates	3,5%			20%-50%	

Mortgages, including the short term portion, account for 69.3% (2008: 71.0%) of the total financing of Buildings and land, Real estate investments and Construction in progress.

(3) Financial fixed assets

	Loans to shareholders	Loans to personnel	Non-consolidated participating interest	Deferred tax assets	Other long-term loans	Total
Balance at December 31, 2008	660	96	1,312	15,712	3,832	21,612
Changes						
New borrowings	227	-	5	-	5,731	5,963
Additions	-	-	-	5,111	-	5,111
Share result	-	-	(9,293)	-	-	(9,293)
Sale and redemption	-	(34)	-	-	(346)	(380)
Consolidation/ (Deconsolidation)	-	-	30,906	(908)	(165)	29,833
Reclassification	(268)	-	14	-	(330)	(584)
Other	33	-	-	-	115	148
Balance at December 31, 2009	652	62	22,944	19,915	8,837	52,410

The interest on the loans to shareholders is 5.0% a year. The average term of loans to personnel is 4 years and the average interest rate is 6.0% up to 6.5%.

The non-consolidated participating interest relates mainly to Media Park Enterprise B.V. In 2009 the participating interest has changed through a new contract between the shareholders. For this reason the figures are no longer consolidated.

Taxes relates to the available tax loss carry-forwards and are considered to be long term in nature. In 2009 a deferred tax asset regarding available tax loss carry-forward of € 1.8 million has been recognized (2008: € 4.6 million). The movement in the year of the deferred tax asset is caused by the loss for tax purposes 2009 and the final determination of prior year losses. As at December 31, 2009 no deferred tax asset has been recognised for the cumulative available tax loss carry-forwards for the fiscal entities amount to approximately € 22.3 million. The nominal value of the available deferred tax assets amounts to approximately € 25.4 million.

Other long-term loans include a loan to the minority shareholder of a TCN subsidiary for an amount of € 4.9 million. This loan will be repaid out of the proceeds of the sale of the subsidiary concerned.

(4) Development projects

The development projects relates to the projects ROC Amsterdam en VOF ZEP Middelburg. All costs related to the purchase and completion of a real estate project as well as the subsequent investments development are capitalized with a surcharge for overhead costs (project management costs), less any provision for foreseeable losses if deemed necessary. The carrying amount of development projects is stated net of € 7 million for instalment billings.



(5) Receivables

	2009	2008
Trade receivables	5,544	18,648
Taxes	3,481	9,207
Receivables from affiliated companies	8,429	9,386
Prepaid expenses	3,054	5,320
Other	8,091	10,597
	28,599	53,158

(6) Cash and cash equivalents

	2009	2008
Cash in hand and at bank	11,996	12,433
Time deposits	434	3,292
	12,430	15,725

Cash in hand and at bank are at free disposal of the company, except an amount of € nil (2008: € 550) which is designated for development costs. The amount relating to 2008 was blocked as a security for a sale transaction.

The bank granted a current account credit facility which is included under the short term borrowings. For this credit facility TCN granted pledges on the shares of group companies, pledges on receivables and second ranking mortgages on real estate assets to the financing bank.

(7) Shareholders' equity

For details of Shareholders' equity reference is made to the notes to the Company Financial Statements.

(8) Minority interests

This balance sheet heading covers the minority interest, representing the share of third parties in the shareholders' equity of the group companies TCN SIG Telehousing B.V., TCN Property Projects Charlemagne B.V., BrandBoxx Management B.V. and TCN Germany GmbH. Furthermore the economic rights based on 35% of the equity value granted to the former owner of Express Park Holdings B.V. has been included as a minority interest.

(9) Provisions

	Deferred Taxes	Other provisions	Total
Balance at December 31, 2008	29,278	5,711	34,989
Movements			
Additions	7,573	537	8,110
Withdrawals	(1,986)	-	(1,986)
Releases during the year	-	(4,134)	(4,134)
Deconsolidation	(6,851)	-	(6,851)
Balance at December 31, 2009	28,014	2,114	30,128

Provisions are in general of a long-term nature.

Deferred taxes

The provision for deferred taxes relates to future fiscal liabilities caused by temporary differences in the profit determination for financial reporting and for tax purposes. The provision is in general caused by the valuation of real estate property at market value for financial reporting purposes, whilst the real estate property for tax purposes is valued at historical costs less accumulated depreciation. The resulting provision is valued at the net present value taking into account applicable tax rates. The net present value is calculated at 20%, with the exception of the United Kingdom where the net present value is calculated at 15%. If deferred tax liabilities were to be measured at the nominal tax rates instead of at discounted tax rates the liability would amount to € 37 million.

Pensions

TCN has in general a defined contribution scheme. Pension commitments for certain categories of employees are insured with pension funds. However, the company can only be held liable for annual pension premiums due. Consequently the pension charges are equal to the annual contribution paid and no provision has to be recorded.

Other provisions

Other provisions relate to reorganization costs in connection with the restructuring of operating activities and a provision for loss making contracts. These provisions have a short term nature and will be used in 2010.



(10) Long-term liabilities

The long-term liabilities decreased by € 61,6 million to € 519 million in 2009. The movements during the year can be specified as follows:

	Subordinated loans	Long-term loans	Mortgages	Total
Balance at December 31, 2008	32,950	83,169	464,956	581,075
Changes				
Loans taken up	3,847	5,032	25,291	34,170
Transfer to short-term borrowings	(296)	(2,490)	(1,173)	(3,959)
Redemptions	(145)	(438)	(35,031)	(35,614)
Waivers	-	-	(7,808)	(7,808)
Consolidation/ (Deconsolidation)	(1,594)	(1,776)	(57,421)	(60,791)
Reclassification	1,252	3,268	6,845	11,365
Exchange rate differences	(463)	82	924	543
Other	237	294	(41)	490
Balance at December 31, 2009	35,788	87,141	396,542	519,471

As at December 31, 2009 long term liabilities with a remaining maturity of more than 5 years amount to € 115.0 million (2008: € 135.3 million).

Long term liabilities include loans amounting to € 23.4 million (2008: 114.1 million) which are due to be refinanced in 2010. Redemption payments of long-term liabilities which are due within one year are presented under the short-term borrowings.

Subordinated loans

The subordinated loans can be specified as follows:

- 🐾 € 17.5 million, granted by NPM Capital N.V, interest rate is 7%,
- 🐾 € 17.0 million, granted by banks, owners of projects and co investors, interest rate amounts from 4.75% to 10%, the weighted average interest rate is 6.6%.

The loans are subordinated against banks and creditors.

Long-term loans

The weighted average interest rate of long term loans is approximately 7.6% with a minimum of nil % and a maximum of 14%.

Mortgages

The weighted average interest rate of mortgage loans is approximately 3.7% with a minimum of nil % and a maximum of 12%.

Securities

For several loans, securities have been granted, which relate to the following:

- 🐾 Joint and several liability of one or more group companies;
- 🐾 Second ranking mortgages;
- 🐾 Pledge of rental income and insurance receivables;
- 🐾 Pledge of inventory, stocks and accounts receivable;
- 🐾 An equity guarantee of TCN Assets B.V.

(11) Short-term borrowings

	2009	2008
Subordinated loans	296	5,000
Short-term portion long-term loans	2,490	5,450
Mortgages loans	8,753	22,778
Bank facilities	34,857	28,872
	<hr/>	<hr/>
	46,396	62,100

The short term portion of Mortgage loans amount to € 8.8 million (2008: € 22.8 million). There is an agreement with the project financiers were redemption payments have been postponed for 2010. These redemption payments will become payable during this period if the cash position of the company is adequate or through an event of default. For 2009 contractual mortgage redemptions have been met. Insofar redemptions on subordinated or other loans were due but not fulfilled, waivers have been granted by these financiers per April 1, 2011.

(12) Current liabilities

	2009	2008
Suppliers and trade creditors	13,659	30,325
Taxes and social security contributions	9,719	11,690
Liabilities due to affiliated companies	2,161	12,995
Payable dividend	1,220	1,794
Holiday allowance	1,018	1,121
Pre invoiced amounts	1,743	1,107
Guarantee deposit	1,167	-
Bonusses	-	330
Interest payable	2,381	1,975
Other	14,225	12,543
	<hr/>	<hr/>
	47,293	73,880

Other current liabilities mainly relate to invoices to be received from suppliers, prepayments by customers and other payables.

(13) Contingent liabilities

Long term contingent liabilities

	2009	2008
Rental agreements	28,564	71,286
Bank guarantees	14,851	10,020
	<hr/>	<hr/>
	43,415	81,306

Of the commitments stated above, € 8.0 million has a maturity term to one year and € 6.2 million has a maturity term of more than five years.



Off balance sheet commitments

The Company is partner in various partnerships. As a partner the Company could be held jointly and severally liable. The Company is jointly and severally liable for a loan of € 2.7 million provided to a non-consolidated company.

The company has entered into a fiscal entity for corporate income tax with several group companies. The company is jointly and severally liable for the tax liability of the fiscal entity as a whole.

TCN has entered into several joint venture agreements which contain subordination provisions regarding profit distribution. As at December 31, 2009 these stipulations have no effect on the net result and are not recognized in the balance sheet.

In natural course of business several claims have been filed against the company and/ or group companies, which the company disputes. Although the outcome of these disputes cannot be predicted with any certainty, it is assumed – partly on the basis of legal advice- that these will not have any significant impact on the consolidated financial position.

Financial instruments

General

In the normal course of business, TCN uses various financial instruments that expose TCN to market and or credit risks. These relate to financial instruments that are included on the balance sheet and interest swaps for hedging interest rate risk. TCN does not trade in these financial derivatives and follows procedures and lines of conduct to limit the size of the credit risk with each counterparty and market. If a counterparty fails to meet its payment obligations to TCN, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amounts of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or market risks.

Interest rate risk

The interest rate risk is limited to possible changes in the fair value of loans taken up and granted. Certain loans have a fixed interest rate over the entire term and certain loans have a floating interest rate. The loans are held until maturity. The company's policy is therefore to use derivative financial instruments to manage interest rate fluctuations. The financial instruments used are interest rate swaps and interest rate caps.

The contracts entered into can be summarized as follows:

Interest Rate Swaps

- ✿ TCN pays a fixed interest rate and receives a variable interest rate;
- ✿ Principal amount of interest rate swaps amounts to € 138.0 million in total;
- ✿ Maximum fixed interest percentage is 5.83%.

Fair value

The fair value of the Interest Rate Swaps and Interest Rate Floors and Caps can be summarized as follows:

- ✿ Interest rate swaps: € 3.5 million negative;

Currency risks

The company operates in the United Kingdom through Express Park Holdings B.V. and its operating companies. as the activities and operational cash flows are mainly financed through loans and facilities denominated in GBP the company does not use derivative financial instruments to manage exchange rate fluctuations.



Notes to the consolidated profit and loss account for the year 2009

(14) Net sales

A breakdown of net sales per activity is as follows:

	2009	2008
Net rental income	54,175	61,838
Asset management fees	25,955	25,887
Consultancy and development fees	10,776	2,315
Other activities	12,927	27,460
	103,833	117,500

Net rental income

Net rental income includes all rent from real estate investments.

Asset management fees

Asset management fees includes income from parking, real estate services and service charges.

Consultancy and development fees

Consultancy and development fees includes income from fee development projects.

Other activities

Income from other activities includes income from trade mart events, TCN owned fairs and conferences, park management activities and cash and carry formulas.

The geographical breakdown of net sales is as follows:

	2009	%	2008	%
Netherlands	95,129	92%	105,945	90%
Germany	462	-%	1,232	1%
United Kingdom	2,655	3%	5,380	5%
Austria	4,526	4%	4,051	3%
Spain	1,061	1%	892	1%
	103,833	100%	117,500	100%

(15) Gross margin

The gross margin represents income after deduction of costs directly attributable to real estate such as energy and service charges, maintenance costs and costs attributable to other services provided by TCN to third parties.

(16) Revaluation real estate investments

Revaluations stated as a percentage of real estate property amounts to 1.8% positive in 2009 compared with 6.7% negative in 2008.

(17) Amortization and depreciation

	2009	2008
Amortization of intangible fixed assets	135	747
Amortization of tangible fixed assets	1,723	2,475
Downward valuation of projects and acquisitions	6,812	16,422
Release of badwill	-	100
	<u>8,670</u>	<u>19,744</u>

(18) General and administrative expenses

	2009	2008
Salaries and wages	12,135	22,606
Social security charges	1,908	2,776
Pensions	299	729
Other staff costs	686	12,351
Publicity and promotion	518	1,569
Office and housing costs	4,761	9,001
Maintenance	159	815
General expenses	1,505	10,925
	<u>21,971</u>	<u>60,772</u>

Capitalized project management costs amount to € 2,895 (2008: € 2,574) and have been deducted from the general expenses.

(19) Average number of employees

	2009	2008
Business programs/ Departments	128	279
Support Centers	38	46
International activities	47	64
	<u>213</u>	<u>389</u>
Of which number employed in:		
Netherlands	167	326
Germany	4	-
Portugal	-	14
United Kingdom	10	21
Austria	32	27
Other	-	1
	<u>213</u>	<u>389</u>



(20) Financing charges

	2009	2008
Interest on mortgages and loans	(23,141)	(28,272)
Interest on current account and bank facilities	(882)	(4,099)
Waiver	7,817	-
Exchange rate differences, bank charges and provisions	(151)	(3,242)
	<u>(16,357)</u>	<u>(35,613)</u>

Financing charges include exchange rate differences amounting to € 782 positive (2008: € 2,454 negative).

(21) Taxes

	2009	2008
Current tax	1,662	5,662
Deferred tax	(1,829)	6,046
	<u>(167)</u>	<u>11,708</u>

TCN has several tax entities. The corporate tax is stated for each separate tax entity in the heads of the respective tax entity. Only the deferred tax charges relating to valuation of real estate property is stated in the separate companies.

The effective tax rate for 2009 amounts to 1.7% (2008: 14.0%), the nominal tax rate in the Netherlands amounts to 25.5%. The difference between the effective and nominal tax rate is caused by foreign taxes, permanent differences as a result on non-deductible costs.

(22) Result of non-consolidated participating interests

	2009	2008
Other results of participating interest	(8,737)	(3,222)
	<u>(8,737)</u>	<u>(3,222)</u>

Transactions with related parties

Transactions with related parties include relationships between the company and the company's participating interests and its shareholders.

General

In its normal course of business, TCN buys and renders services from and to various related parties in which the company has an interest of 50% or less. Generally, these transactions are conducted on a commercial basis under comparable conditions that apply to transactions with third parties.

Stichting Partners of TCN (POT)/ Stichting Depot of TCN (DOT)

TCN UROP has a financial relation with Stichting POT and Stichting DOT, two entities that hold the 20% of the shares of TCN UROP SE. These shares are partly held by personnel of the company. These entities have no financial means and are partly funded by TCN UROP.

At balance sheet date the outstanding receivable amounts to € 1.5 million positive (2008: € 1.4 million positive). The change in 2009 relates to the purchase of shares from former employees that has been financed by TCN UROP SE.

TCN UROP SE has guaranteed to finance the liabilities of Stichting POT and Stichting DOT insofar TCN UROP SE has funds needed to cover these liabilities.

(23) Cash flow statement

The movements in the consolidated cash flow statement can be reconciled to the movements in the consolidated balance sheet as follows:

	Balance sheet movements	Non-cash movements	Cash flow movements
Intangible fixed assets	359	364	(5)
Tangible fixed assets	117,610	92,847	24,763
Financial fixed assets	(30,798)	(19,956)	(10,842)
Development projects	(7,823)	-	(7,823)
Receivables	24,559	12,591	11,968
Shareholders' equity	853	177	676
Minority interest	5,018	5,018	-
Provisions	(4,861)	(6,851)	1,990
Long-term liabilities	(61,604)	(56,691)	(4,913)
Short-term borrowings	(15,704)	-	(15,704)
Current liabilities	(26,587)	(21,722)	(4,865)
Net result	(4,317)	(8,567)	4,250
Cash and cash equivalents	(3,295)	(2,790)	(505)

Non-cash movements relate mainly to the deconsolidation of Media Park Enterprises B.V.



Company balance sheet as at December 31, 2009

(Before proposed profit appropriation)

			2009	2008
ASSETS	x € thousand			
	FIXED ASSETS			
	Financial fixed assets	1	89,993	89,960
	CURRENT ASSETS			
	Receivables	2	3,209	5,434
	Cash and cash equivalents		65	5
			<u>3,274</u>	<u>5,439</u>
	TOTAL		<u>93,267</u>	<u>95,399</u>

			2009	2008
EQUITY AND LIABILITIES	x € thousand			
	EQUITY AND LIABILITIES			
	SHAREHOLDERS' EQUITY	3		
	Share capital		131	131
	Additionally paid in capital		9,660	9,660
	Revaluation reserve		57,525	61,799
	Legal reserve participation		16,012	-
	Currency translation adjustments		(3,083)	(3,260)
	General reserve		(57,259)	23,487
	Net result		(4,317)	(69,684)
			<u>18,669</u>	<u>22,133</u>
	PROVISIONS		-	1,371
	LONG-TERM LIABILITIES		18,608	18,608
	SHORT-TERM LIABILITIES			
	Current liabilities	4	55,990	53,287
			<u>55,990</u>	<u>53,287</u>
	TOTAL		<u>93,267</u>	<u>95,399</u>

Company profit and loss account 2009

x € thousand	2009	2008
Result of group companies after taxation	(911)	(58,706)
Other results after taxation	(3,406)	(10,978)
	<u>(4,317)</u>	<u>(69,684)</u>



Notes to the company balance sheet

General

The consolidated financial statements are part of the 2009 financial statement of TCN UROP SE.

Insofar as there is no further explanation provided to the items in the balance sheet and the profit and loss account, please refer to the notes to the consolidated balance sheet and profit and loss account.

Where necessary, the figures for 2008 have been reclassified to permit comparability with 2009.

Accounting policies

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account.

(1) Financial fixed assets

	Participating interests	Deferred tax assets	Other	Total
Balance at December 31, 2008	68,096	13,167	8,697	89,960
Changes				
Investments	-	-	227	227
New borrowings	-	-	452	452
Additions	-	279	-	279
Net result for the year	(911)	-	-	(911)
Sale and redemptions	-	-	(329)	(329)
Reclassifications	176	-	(598)	(422)
Other movements	603	-	134	737
Balance at December 31, 2009	67,964	13,446	8,583	89,993

Other financial fixed assets largely relate to receivables from participating interests and shareholders. A total allowance of € nil (2008: € 3,382) has been taken on outstanding receivables on the joint venture and partnerships of TCN UROP.

(2) Receivables

	2009	2008
Trade receivables	813	704
Receivables from group companies	2,345	4,644
Other	51	86
	3,209	5,434

Group companies

On the current accounts with group companies an interest percentage of 5% is calculated.

(3) Shareholders' equity

	Share capital	Additional-ly paid in capital	Revalua-tion reserve	Legal reserve partici-pation	Currency transla-tion adjust-ments	General reserve	Net result	Total
Balance at December 31, 2007	131	9,660	85,848	-	(1,234)	(10,855)	13,325	96,875
Changes								
Appropriation of result	-	-	-	-	-	13,325	(13,325)	-
Dividend	-	-	-	-	-	(2,612)	-	(2,612)
Result for the year	-	-	-	-	-	-	(69,684)	(69,684)
Exchange rate differences	-	-	-	-	(2,026)	-	-	(2,026)
Revaluation for the year	-	-	(24,049)	-	-	24,049	-	-
Other	-	-	-	-	-	(420)	-	(420)
Balance at December 31, 2008	131	9,660	61,799	-	(3,260)	23,487	(69,684)	22,133
Changes								
Appropriation of result	-	-	-	-	-	(69,684)	69,684	-
Dividend	-	-	-	-	-	676	-	676
Result for the year	-	-	-	-	-	-	(4,317)	(4,317)
Exchange rate differences	-	-	-	-	177	-	-	177
Revaluation for the year	-	-	15,138	-	-	(15,138)	-	-
Reclassification	-	-	(19,412)	16,012	-	3,400	-	-
Balance at December 31, 2009	131	9,660	57,525	16,012	(3,083)	(57,259)	(4,317)	18,669

Issued share capital

The authorized capital of the Company amounts to € 600,000 (euro), divided into 20 million ordinary shares with a nominal value of € 0.03 (three euro cent).

The issued share capital as at December 31, 2009 amounts to € 131,194.50 (euro), divided into 4,373,150 ordinary shares with a nominal value of € 0.03 (three euro cent).

Share premium reserve

The share premium reserve relates to income from the issuance of new shares as far as the nominal value of the shares is exceeded.



The share premium reserve can be considered as tax free share premium as referred to in the 1964 Income Tax Act.

Revaluation reserve

In determining the revaluation reserve, an amount was deducted for deferred tax liabilities, calculated at a tax rate of 20% or lower.

Long-term liabilities

The long-term liabilities includes the subordinated loan granted by NPM Capital N.V., interest rate is 7%.

The loan is subordinated against banks and creditors.

(4) Current liabilities

	2009	2008
Suppliers and trade creditors	167	184
Liabilities due to affiliated companies	50,175	47,616
Taxes and social security contributions	2,982	364
Payable dividend	1,220	1,794
Interest payable	26	25
Other	1,420	3,304
	<u>55,990</u>	<u>53,287</u>

The interest on the liabilities due to affiliated companies is 5% a year.

(5) Fees of the auditor

With reference to section 2:382a (1) and (2) of the Netherlands Civil Code, fees have been charged by KPMG Accountants N.V. to the Company. The fees for 2009 amount to € 550 and 2008 € 550.

Notes to the company profit and loss account

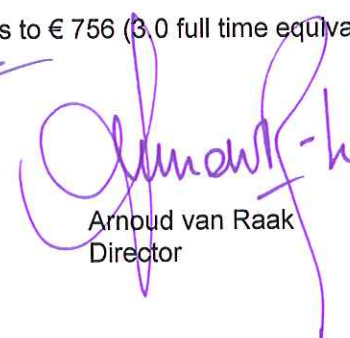
(6) Remuneration of the statutory management board

The remuneration of the statutory board of management amounts to € 756 (3.0 full time equivalents) (2008: € 1,211 and 2.9 full time equivalents).

Utrecht, June 30, 2010


Rudy Stroink,
Chief Executive Officer


Tom Weghorst,
Director


Arnoud van Raak
Director



other information

tcn urop se

Provisions of the articles of association concerning profit appropriation

Article 18 of the Articles of Association contains the following provisions regarding profit appropriation:

1. The profit is at the free disposal of the General Meeting of Shareholders.
2. Payments shall take place only to the amount of equity which is at free disposal. Interim payments shall only take place if the requirements according to Book 2, article 105 section 4 of the Netherlands Civil Code are met.

Proposed profit appropriation

The Statutory Board of Management proposes to determine a fixed dividend payment ratio stated as a percentage of shareholders' equity at year end. The remainder of the net result will be added to the general reserves.

Post balance sheet date events

Bank agreement

In May 2010 TCN came to an agreement with its main project financiers regarding the postponement of the regular redemption payments on project mortgages and loans. This agreement in first instance will remain in effect until April 1, 2011 and will then be under negotiation. Under the agreement any excess cash generated by the company through the sale of properties will be used to repay outstanding credit facilities and the due redemption payments. This agreement only affects project loans where TCN is 100% partner. It does not apply to project loans where TCN is not 100% owner of the project.

Liquidity

At the end of May 2010 the refinancing of the loan of Media Park Enterprise B.V. will be concluded.

Transactions

In 2010 the following transactions have taken place:

- 🐾 In February 2010 TCN has starting with the building of "ROC Amsterdam".
- 🐾 In April 2010 the company has sold the real estate of Business Park Gouda.
- 🐾 In May 2010 TCN acquired the real estate of "Atoomweg" in Utrecht. This will be the new headquarters of TCN.
- 🐾 In June 2010 TCN has refinanced the loan of De Spaanse Kubus B.V.

To: the shareholders of TCN UROP SE

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of TCN UROP SE, Utrecht, which comprise the balance sheet as at 31 December 2009, the 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 TCN UROP SE as at 31 December 2009, 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 f 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.

The Hague, 30 June 2010

KPMG ACCOUNTANTS N.V.

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