

IFRS Real Estate Survey 2007

October 2008

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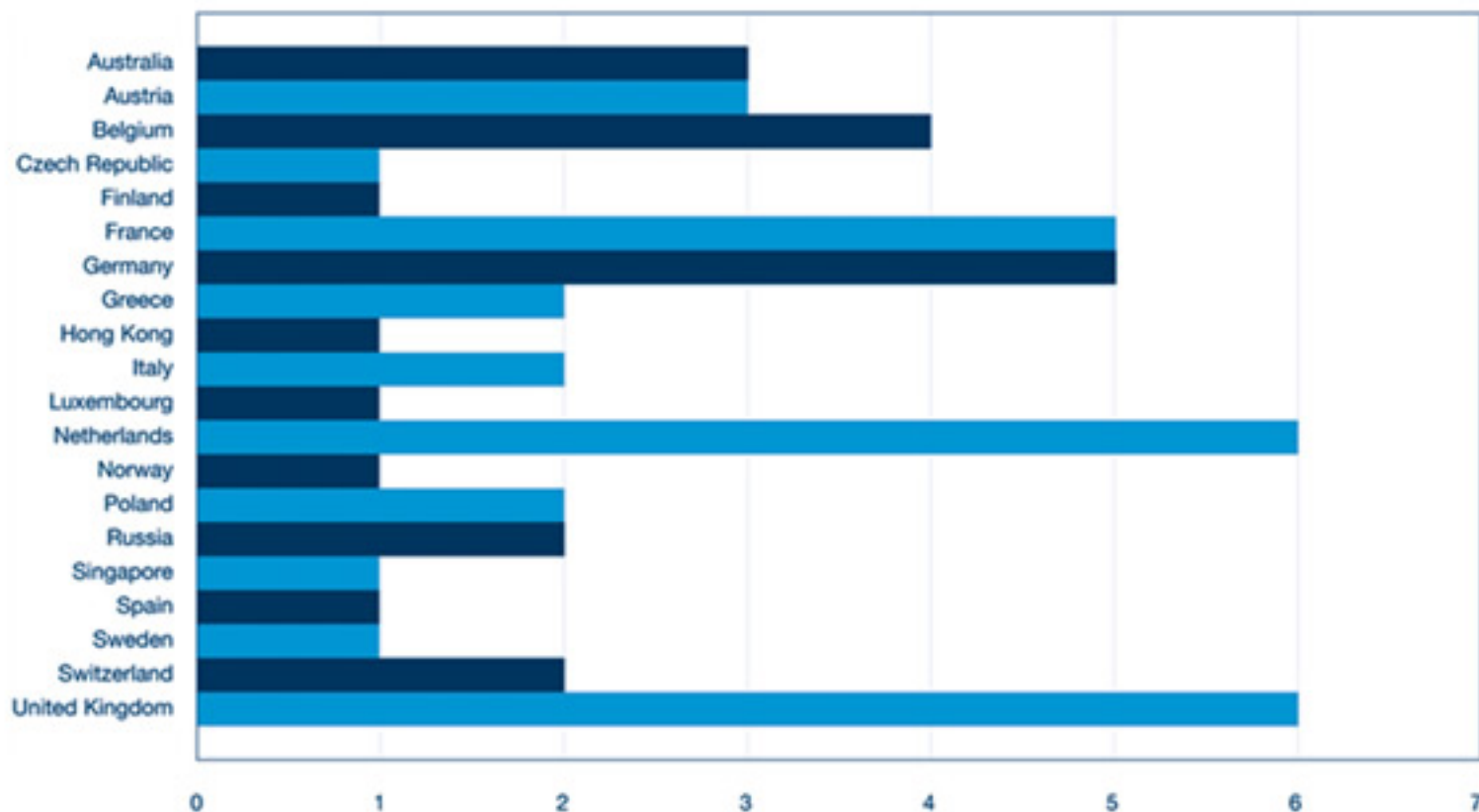
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Selection criteria

- Firm's business is in real estate
- Applying IFRS
- Listed on a stock exchange
- Audited FY2007 financial statements

Selected entities

Entities per country



Selected topics

Classification, recognition and transfers

Measurement

Income statement

Consolidation

IFRS 7

Segmentation

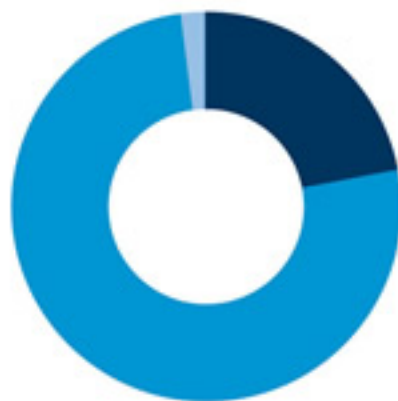
Deferred tax

Industry specific items

Key findings on measurement

- 46 entities applied the fair value model
- 11 entities included an appraisers' report
- 13 entities disclosed discount rate

Is an independent appraiser's report included in the annual report?

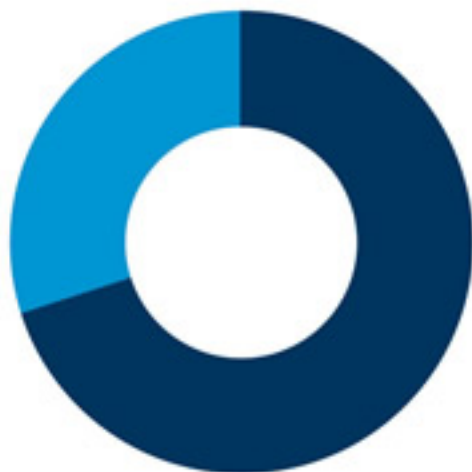


■ Yes 11 (22%)
■ No 38 (76%)
■ Internal valuation 1 (2%)

Key findings on income statement

- 15 entities presented proceeds of real estate sold as a part of revenue

Are realised gains part of revenue?



■ No 35 (70%)

■ Yes 15 (30%)

Key findings on IFRS 7

Most common used assumptions for the sensitivity analysis:

- Interest rate risk 0.5%, 1% and 100 bp
- Currency risk 5% and 10%
- Market price risk only qualitative

Key findings on industry specific guidance

- 1 entity stated that it is fully compliant with EPRA guidelines
- 13 disclosed the NNAV (EPRA)
- 14 entities disclosed the like-for-like growth in rental income
- 4 entities disclosed the 'direct' and 'indirect result'

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For further consideration:

Further we would like to stimulate entities management and their auditors in assessing the impact of:

- The disclosures on financial risks and fair value (IFRS 7)
- Changes to be made in segmentation based on IFRS 8 (effective in 2009)
- Proportionate consolidation for joint ventures when ED 9 is implemented

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