

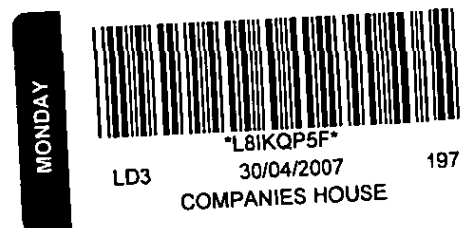
AEW Global Advisors (Europe) Limited

Company No. 05406927

Financial Statements

For the year ended

31 December 2006



AEW Global Advisors (Europe) Limited

Company Information

Directors

James Finnegan
Jeffrey Furber
Richard Lewis
Robert Oosterkamp
Louise Staniforth

Secretary

Louise Staniforth

Registered Office

One Curzon Street
London
W1J 5HD

Bankers

National Westminster Bank plc
94 Moorgate
London
EC2M 6XT

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

AEW Global Advisors (Europe) Limited

Directors' Report For the year ended 31 December 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

The company was incorporated on 30 March 2005 as AEW Global Advisors (Europe) Limited, with its principal activity being the provision of Investment Management Services with respect to publically traded real estate related securities

The company has FSA approved status under the Financial Services and Markets Act 2000 (FSMA) The directors are cautiously optimistic about the prospects for the future

Results and dividends

The results for the year are set out on page 4

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 January 2006

James Finnegan
Jeffrey Furber
Richard Lewis
Robert Oosterkamp
Louise Staniforth

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 December 2006	1 January 2006
James Finnegan	-	-
Jeffrey Furber	-	-
Richard Lewis	-	-
Robert Oosterkamp	-	-
Louise Staniforth	-	-

Auditors

On 1 May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000 The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989 Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year

AEW Global Advisors (Europe) Limited

Directors' Report (continued) For the year ended 31 December 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Louise Staniforth

Director

24 April 2007

AEW Global Advisors (Europe) Limited

Independent Auditors' Report To the Shareholders of AEW Global Advisors (Europe) Limited

We have audited the financial statements of AEW Global Advisors (Europe) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

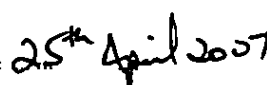
Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.


Kingston Smith LLP

Chartered Accountants
Registered Auditors

Date 

Devonshire House
60 Goswell Road
London
EC1M 7AD

AEW Global Advisors (Europe) Limited

Profit And Loss Account For the year ended 31 December 2006

		Year ended 31 December 2006 £	9 Months ended 31 December 2005 £
	Notes		
Turnover	2	823,313	66,511
Administrative expenses		(527,155)	(124,313)
Profit/(loss) on ordinary activities before taxation	3	296,158	(57,802)
Tax on profit/(loss) on ordinary activities	4	(71,707)	-
Profit/(loss) for the year	9	224,451	(57,802)

The profit and loss account has been prepared on the basis that all operations are continuing operations

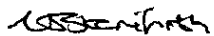
There are no recognised gains and losses other than those passing through the profit and loss account

AEW Global Advisors (Europe) Limited

Balance Sheet As at 31 December 2006

	Notes	2006 £	£	2005 £	£
Current assets					
Debtors	5	337,637		69,086	
Cash at bank and in hand		790,988		200,000	
		<u>1,128,625</u>		<u>269,086</u>	
Creditors amounts falling due within one year	6	<u>(761,976)</u>		<u>(126,888)</u>	
Total assets less current liabilities			<u>366,649</u>		<u>142,198</u>
Capital and reserves					
Called up share capital	8	200,000		200,000	
Profit and loss account	9	166,649		(57,802)	
Shareholders' funds	10		<u>366,649</u>		<u>142,198</u>

Approved by the Board and authorised for issue on 24 April 2007



Louise Staniforth
Director

AEW Global Advisors (Europe) Limited

Cash Flow Statement For the year ended 31 December 2006

	Year ended 31 December 2006	9 Months ended 31 December 2005
	£	£
Net cash inflow/(outflow) from operating activities	590,988	-
Net cash inflow/(outflow) before management of liquid resources and financing	590,988	-
Financing		
Issue of ordinary share capital	-	200,000
Net cash (outflow)/inflow from financing	-	200,000
Increase in cash in the year	590,988	200,000

AEW Global Advisors (Europe) Limited

Notes To The Cash Flow Statement For the year ended 31 December 2006

1	Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		2006	2005	
			£	£	
	Operating profit/(loss)		296,158	(57,802)	
	Increase in debtors		(268,551)	(69,086)	
	Increase in creditors within one year		563,381	126,888	
			<hr/>	<hr/>	
	Net cash inflow/(outflow) from operating activities		590,988	-	
			<hr/>	<hr/>	
2	Analysis of net funds	1 January 2006	Cash flow	Other non-cash changes	31 December 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	200,000	590,988	-	790,988
		<hr/>	<hr/>	<hr/>	<hr/>
	Net funds	200,000	590,988	-	790,988
		<hr/>	<hr/>	<hr/>	<hr/>
3	Reconciliation of net cash flow to movement in net funds		2006	2005	
			£	£	
	Increase in cash in the year		590,988	200,000	
			<hr/>	<hr/>	
	Movement in net funds in the year		590,988	200,000	
	Opening net funds		200,000	-	
			<hr/>	<hr/>	
	Closing net funds		790,988	200,000	

AEW Global Advisors (Europe) Limited

Notes To The Financial Statements For the year ended 31 December 2006

1 Accounting policies

11 Accounting convention

The financial statements are prepared under the historical cost convention

12 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

13 Turnover

Turnover, which arises in the United Kingdom, comprises investment management fees

14 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

15 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit/(loss)

	2006	2005
	£	£
Operating profit/(loss) is stated after charging		
Auditors' remuneration	7,081	5,020

AEW Global Advisors (Europe) Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2006

4	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U K corporation tax	71,707	-
	Current tax charge	<u>71,707</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	296,158	(57,802)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	88,847	(17,341)
	Effects of		
	Non deductible expenses	188	13
	Tax losses utilised	(17,328)	17,328
		<u>(17,140)</u>	<u>17,341</u>
	Current tax charge	<u>71,707</u>	<u>-</u>
5	Debtors	2006	2005
		£	£
	Trade debtors	290,532	-
	Other debtors	47,105	-
	Prepayments and accrued income	-	69,086
		<u>337,637</u>	<u>69,086</u>
6	Creditors amounts falling due within one year	2006	2005
		£	£
	Trade creditors	1,510	8,368
	Amounts owed to parent and fellow subsidiary undertakings	546,138	118,520
	Corporation tax	71,707	-
	Other creditors	142,621	-
		<u>761,976</u>	<u>126,888</u>

AEW Global Advisors (Europe) Limited

Notes To The Financial Statements (continued) For the year ended 31 December 2006

7 Pension costs

Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	1,110	-

8 Share capital

	2006 £	2005 £
Authorised		
200,000 Ordinary shares of £1 each	200,000	200,000
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	(57,802)
Profit for the period	224,451
Balance at 31 December 2006	166,649

10 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit/(Loss) for the financial year	224,451	(57,802)
Proceeds from issue of shares	-	200,000
Net addition to shareholders' funds	224,451	142,198
Opening shareholders' funds	142,198	-
Closing shareholders' funds	366,649	142,198

AEW Global Advisors (Europe) Limited

Notes To The Financial Statements For the year ended 31 December 2006

11 Directors' emoluments	2006	2005
	£	£
Emoluments for qualifying services	310,000	49,047

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	310,000	49,047
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12 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2006	2005
	Number	Number
Financial and administration	2	2

Employment costs

	2006	2005
	£	£
Wages and salaries	415,000	63,908
Social security costs	52,617	4,693
Other pension costs	1,110	-
	468,727	68,601

13 Control

The company's immediate parent entity is AEW Capital Management LP, registered in the United States

The ultimate parent company and controlling entity is Natexis Banque Populaires, a company incorporated and registered in France

Natexis Banque Populaires is the parent undertaking of the largest and smallest group of undertakings of which the company is a member and for which group financial statements are prepared. The group financial statements may be obtained from the Finance Director, AEW Global Advisors (Europe) Limited, One Curzon Street, London, W1J 5HD

14 Related party transactions

The company has taken advantage of the exemption by FRS 8 paragraph 3(c) not to disclose transactions with related parties as it is a wholly owned subsidiary of Natexis Banque Populaires, the consolidated financial statements for which are publically available