



Annual report 2006

ei invest properties – Berlin I GmbH & Co. KG





ei invest *Berlin I*

- Bond secured on property portfolio, consisting of 21 property complexes including approx. 4.400 units – primarily residential units – located in Germanys capital, Berlin.
- Represents a strong investment model with bond offerings for investors looking for a supplement to traditional property investment.
- Opens up the property investment market to private as well as institutional investors.
- The bonds are traded on the Copenhagen Stock Exchange and generate a lucrative effective interest of 9 % during the bond duration.
- Listed on the Copenhagen Stock Exchange at 1st December 2005.

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Management review



HEADLINES 2006

- Profit of the year in line with expectations
- Rent increased by TEUR 523 or 6.24 %
- Average vacancy rate 4.54 %

BOARD OF DIRECTORS

- Michael Kaa Andersen, chairman
- Lars Thylander, vice-chairman
- Kurt Petersen

Development in finances

In 2006 ei invest properties – Berlin I GmbH & Co. KG earned a profit for the year of TEUR 93. To the satisfaction of the board, the result is in line with expectations.

According to the accounting policies of the company the property portfolio is measured at fair value. It is the opinion of the board of directors that the positive development in the property market has continued during 2006, however no external valuation has been made in 2006, this is expected to take place in 2007.

The total rent in 2006 increased by TEUR 523, which is higher than the budgeted increase of TEUR 500. This means that the rent in 2006 from residential units has increased by EUR 0.30 per m², or 6.24 % since the acquisition of the portfolio ultimo 2005.

The vacancy rate for the total portfolio is 4.40 % at 31st December 2006. The average vacancy rate for the total portfolio in 2006 has been 4.54 %. The

board considers the vacancy rates as satisfactory compared to the general residential market in Berlin, even though the rate is higher than expected in Prospectus of 23rd November 2005 (hereafter referred to as the Prospectus).

Vacancy rate:

$$\frac{\text{Rental income from vacant areas in EUR} \times 100}{\text{Total rental income in EUR}}$$

The board estimates that in the 5 districts in Berlin, where the residential units are located, an increased demand for rented accommodation will take place, even with a low economical development. At the same time, it is the board's estimation that the vacancy rate for the portfolio will continue at a low level in 2007, especially due to the wide segment that the portfolio approach.

Development in activity

The portfolio consists of the same properties since the acquisition of the portfolio. Partners as the

property management and the financial company administrator etc., are continuously optimizing the portfolio through different initiatives. Below are some of the initiatives made in 2006 described in more detailed level.

In August 2006 the property management team and the financial company administration team joined in Berlin to participate in a two days property tour. The purpose of the property tour was to give all parties a detailed insight in the portfolio and to optimize the cooperation between the property management, janitors and the financial company administrator.

Besides the property tour, the financial company administrator frequently arranges meetings with the property management in Berlin. This is to be able to continuously follow up on the portfolio management, and to strengthen the relationship between the property management and the financial company administrator. Among others, initiative to decrease the vacancy rate and the maintenance planning is being discussed at these meetings.

For the financial year 2006, maintenance expenses are in total TEUR 926 which is slightly lower than the budget on TEUR 1,000. Every individual maintenance works that exceeds TEUR 1, is sent to the financial company administrator for acceptance before beginning of the maintenance works.

In 2006, a new facility contract was entered between ei invest properties – Berlin I GmbH & Co. KG and Facilita Berlin GmbH. This contract concerns janitor and cleaning service, maintenance of gardens, repair and the necessary main annual check on playground equipment in children's playgrounds and snow and ice control on the areas around the properties.

Events after the balance sheet date

No material events have occurred after the balance sheet date to this date.

Outlook for 2007

ei invest properties – Berlin I GmbH & Co. KG's budget for 2007, which is part of the Prospectus, are based on expectations that the present growth in the German economy is maintained in 2007 with a high employment in consequence. Price and interest levels are in broad outline presupposed steady, even though a minor increase in interest rates is expected.

Due to the finance structure that among others consist of a 10-year fixed rate at 4.00 % senior loan on TEUR 90,000, the minor expected increase in interest only has an influence on the junior loan.

The board expects approx. TEUR 142 in rent increase in 2007, which equals to the expectations in the budget. The board expects on the whole the result before value adjustments of the financial year 2007 to be on the same level as 2006.

During the financial year 2006, the German authorities have decided to increase the VAT rate from 16 % to 19 % with effect per 1st January 2007. The economic consequence of the increase in the German VAT rate was at the acquisition of the portfolio included in the budget.

Outlook for 2007 is forward looking and is based on current expectations of future events and is as such subject to risk and uncertainties. This may cause actual results to differ material from expectations.

Change in accounting policies

During 2006, ei invest properties – Berlin I GmbH & Co. KG changed its accounting policy for the measurement of mortgage, bank and bond debt regarding investment properties. Previously the mortgage, bank and bond debt were measured at fair value, according to the fair value option in the International Accounting Standards 39 (IAS 39). ei invest properties – Berlin I GmbH & Co. KG has now decided to measure mortgage, bank and bond debt



regarding investment properties at amortized cost, which corresponds to the proceeds received less transaction costs incurred.

The board of directors judges that the new policy is preferable because it results in a more transparent measurement of mortgage, bank and bond debt and is consistent with the accounting policy used for similar property portfolios using IFRS in Germany and local German generally accepted accounting policies, making ei invest properties – Berlin I GmbH & Co. KG’s annual reports more comparable. The total effect on the accounts is scheduled under the “Accounting principles” section.

Correction to prior year

Tax is charged to the owners ei invest L1 - Berlin I GmbH and ei invest L2 - Berlin I GmbH, and is settled by the owners. In the financial statement for 2005 for ei invest properties – Berlin I GmbH & Co. KG, tax was calculated and measured in the income statement and the balance sheet as deferred tax, which was a mistake according to applying the accounting policies. This has resulted in a correction to 2005. The total effect on the accounts is scheduled under the “Accounting principles” section.

Danish version of Management review

Due to our Danish investors and other Danish partners, this Danish version of the Management review has been prepared. The Danish part of the management review is an unofficial translation of the original English text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the English language version shall prevail.

LEDELSESBERETNING

Økonomisk udvikling

ei invest properties – Berlin I GmbH & Co. KG's resultat for regnskabsåret 2006 er et overskud på TEUR 93. Resultatet er på niveau med det forventede, og bestyrelsen finder resultatet tilfredsstillende.

Jævnfør anvendt regnskabspraksis anvender selskabet reglerne om dagsværdi vedrørende investerings-ejendomme. Det er bestyrelsens opfattelse, at den positive udvikling i ejendomsmarkedet er fortsat i 2006. Der er midlertidig ikke indhentet en ekstern værdiansættelse i 2006, da dette vil ske i løbet af 2007.

De samlede lejeforhøjelser i 2006 udgør TEUR 523, hvilket er højere end de forventede TEUR 500 ifølge budgettet. Dette betyder, at lejeindtægten fra boligudlejning i 2006 er steget EUR 0.30 pr. m² eller 6.24 % siden anskaffelsen af porteføljen ultimo 2005.

Ledighedsprocenten for den samlede portefølje er 4,40 % pr. 31. december 2006. Den gennemsnitlige ledighedsprocent for den samlede portefølje har i 2006 været 4,54 %. Bestyrelsen anser ledighedsprocenten som værende tilfredsstillende sammenlignet med det generelle marked for boligudlejning i Berlin, selvom ledighedsprocenten er højere end forventet ifølge Prospekt af 23. november 2005 (herafter benævnt Prospekt).

Ledighedsprocent:

$$\frac{\text{Samlet lejeindtægt fra ikke udlejet lejemål i EUR x 100}}{\text{Samlet total lejeindtægt i EUR}}$$

Bestyrelsen vurderer, at der i de 5 bydele hvor ejendommene er beliggende, vil forekomme en øget efterspørgsel efter lejeboliger selv med en lav økonomisk vækst. Bestyrelsen vurderer samtidig, at ledighedsprocenten for ejendomsporteføljen vil forblive på et lavt niveau i 2007, særligt grundet det brede segment som ejendommene henvender sig til.

Udvikling i aktivitet

Ejendomsporteføljens sammensætning er uændret siden anskaffelsen ultimo 2005. Samarbejdspartnere som ejendomsadministrator og selskabsadministrator m.fl., optimerer løbende ejendomsporteføljen gennem forskellige initiativer. Eksempler på sådanne initiativer gennemført i 2006 er nedenstående beskrevet yderligere.

Selskabsadministrator deltog sammen med ejendomsadministrator i en to-dags ejendomsbesigtigelsestur i august 2006. Formålet med besigtigelsesturen var at give alle en detaljeret indsigt i ejendomsporteføljen samt yderligere at forbedre samarbejdet mellem selskabsadministrator, ejendomsadministrator og viceværter.

Udover besigtigelsesture arrangerer selskabsadministrator jævnlige møder med ejendomsadministrator i Berlin. Disse møder er en del af den løbende opfølgning overfor ejendomsadministrator samtidig med samarbejdet mellem selskabsadministrator og ejendomsadministrator styrkes. Initiativer til at nedbringe ledighedsprocenten og gennemgang af vedligeholdelsesplaner er eksempler på emner, som drøftes.

Selskabet har i regnskabsåret 2006 afholdt TEUR 926 til vedligeholdelsesomkostninger, hvilket er lavere end forventet i budget, som var TEUR 1,000. Hvert enkelt vedligeholdelsesarbejde, som overstiger TEUR 1, sendes til godkendelse hos selskabsadministrator før vedligeholdelsesarbejdet påbegyndes.

ei invest properties – Berlin I GmbH & Co. KG indgik i 2006 en ny kontrakt med selskabet Facilita Ber-

lin GmbH. Denne kontrakt indeholder aftaler om vicevært, rengøring, vedligeholdelse af gårdanlæg, reparation og lovpligtige årlige kontroller af udstyr på legepladser samt is og snerydning på omkringliggende arealer.

Begivenheder efter regnskabsårets afslutning

Der er fra balancedagen og frem til i dag ikke indtrådt væsentlige forhold.

Forventet udvikling 2007

ei invest properties – Berlin I GmbH & Co. KG's budget for 2007, som indgår i Prospektet, er baseret på en forventning om, at den nuværende vækst i tysk økonomi opretholdes i 2007 med en høj beskæftigelse til følge. Pris- og renteniveauet forudsættes i store træk stabilt, om end der forventes en mindre rentestigning i løbet af året.

Selskabets finansieringsstruktur, som primært består af 10-årig fastforrentet (4,00 %) seniorlån på TEUR 90.000, medvirker til at en eventuel forøgelse af den variable rente alene påvirker selskabets juniorlån.

Bestyrelsen forventer lejestigninger i 2007 på TEUR 142, hvilket er på niveau med forventninger i budgettet. Bestyrelsen vurderer, at årets resultat før værdireguleringer for 2007 stort set bliver på samme niveau som 2006.

De tyske myndigheder har i løbet af regnskabsåret 2006 vedtaget at forhøje den tyske momsats fra 16 % til 19 % med virkning fra 1. januar 2007. Den økonomiske konsekvens heraf var på tidspunktet for anskaffelsen af ejendomsporteføljen indarbejdet i budgettet.

Forventningerne til 2007 bygger på nuværende forventninger til fremtidige forhold og er derfor udsat for risiko og usikkerheder. Dette kan medføre aktuelle resultater, som kan afvige væsentligt fra forventningerne.

Ændring i regnskabspraksis

ei invest properties – Berlin I GmbH & Co. KG har ændret regnskabspraksis vedrørende selskabets måling af gældsforpligtelser knyttet til investeringsejendomme. Efter tidligere praksis blev gældsforpligtelser vedrørende investeringsejendomme målt til dagsværdi i henhold til valgmuligheden herfor i International Accounting Standards 39 (IAS 39). ei invest properties – Berlin I GmbH & Co. KG har besluttet at måle gældsforpligtelser vedrørende investeringsejendomme til kostpris, hvilket svarer til det modtagne provenu fratrukket transaktionsomkostninger.

Det er bestyrelsens vurdering, at den nye regnskabspraksis er at foretrække grundet en mere gennemskuelig måling af gældsforpligtelser vedrørende investeringsejendomme. Samtidig er den nye måling ensartet med ejendomsporteføljer, der anvender IFRS i Tyskland samt tysk lokal regnskabspraksis, hvilket medfører en højere grad af sammenlignelighed for ei invest properties – Berlin I GmbH & Co. KG. Den samlede regnskabsmæssige effekt er beskrevet efterfølgende under afsnittet "Anvendt regnskabspraksis".

Korrektion til tidligere år

Skatten af ei invest properties – Berlin I GmbH & Co. KG's aktiviteter påhviler ejerne ei invest L1 – Berlin I GmbH og ei invest L2 – Berlin I GmbH. I regnskabsåret 2005 for ei invest properties – Berlin I GmbH & Co. KG blev skat beregnet og indregnet i resultatopgørelsen og balancen som udskudt skat, hvilket var en fejl i henhold til anvendt regnskabspraksis. Dette resulterer i en korrektion af tidligere år. Den samlede regnskabsmæssige effekt er beskrevet efterfølgende under afsnittet "Anvendt regnskabspraksis".

Financial highlights

EUR 1,000	2006	2005
Key figures	12 months	2 months
Income statement		
Rental income	10,988	1,757
Fair value adjustment on investment property	49	4,476
Operation profit	7,401	5,814
Net financials	(7,308)	(1,076)
Net profit for the year	93	4,738
Balance sheet		
Investment property	149,000	149,000
Equity	6,841	6,748
Total assets	150,766	156,571
Ratios		
Return on assets	0.1%	3.0%
Return on equity	1.4%	70.2%
Equity to debt ratio	4.5%	4.3%
Stock exchange related key figures		
8 % ei invest Berlin I 2017		
Stockprice per 31st of December	111.5	104.0
Stockprice at issuing at the 1st of December 2005	100.0	100.0
9 % ei invest Berlin I 2017		
Stockprice per 31st of December	110.0	104.0
Stockprice at issuing at the 1st of December 2005	100.0	100.0

Portfolio information

The portfolio is geographical located in 5 districts in Berlin. An area overview is shown below.

The properties are primarily constructed in the 1930's, but also in the period from the 1950's to the 1970's. 19 of the total 21 property complexes have been renovated in the period 1993 – 2001, which means that the portfolio generally appears in good condition.

The average vacancy rate for the total portfolio in 2006 has been 4.54 % based on the rental income. This level is considered low in comparison with the general vacancy in residential units in Berlin.

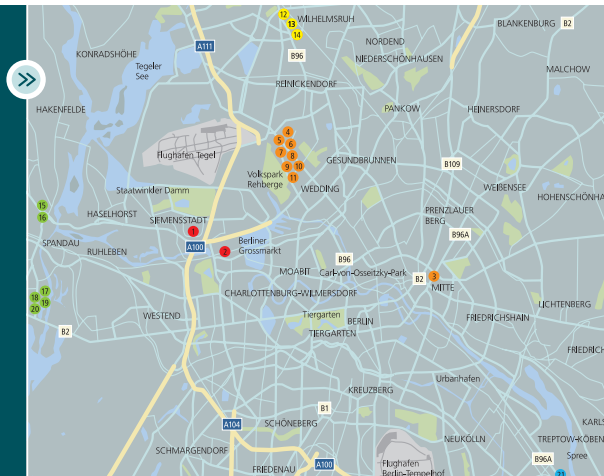
The characteristics of the portfolio besides the above are:

- 4,031 residential units with an average floor space of on approx. 50 m². The majority are 1½-2½ room apartments.
- 63 business units and 333 garages, parking lots etc.
- Total residential area of approx. 200,000 m².
- Monthly net rent amounts on average to approx. EUR 4.8 per m². In total for an average apartment this is monthly EUR 240. In addition to this, the tenant pays operation costs (heating, water etc.), which on average monthly are approx. EUR 1.9 per m².

PROPERTY PORTFOLIO INFORMATION				
District	Area, m ²			Total
	Residential	Business	Parking etc.	
Treptow-Köpenick	15,598	0	122	15,720
Charlottenburg-Wilmersdorf	22,700	56	1,096	23,852
Mitte	52,179	1,033	232	53,444
Reinickendorf	22,768	232	7,785	30,785
Spandau	87,679	2,156	16,404	106,239
Total	200,924	3,477	25,639	230,040

PROPERTY OVERVIEW

- Treptow-Köpenick: Property complex , blue
- Charlottenburg-Wilmersdorf: Property complex , red
- Mitte: Property complex, orange
- Reinickendorf: Property complex, yellow
- Spandau: Property complex, green





Number of units 357
Population 232,000

Rental area, m² 15,720
Annual rent, EUR 1,000 951

TREPTOW-KÖPENICK

The district Treptow-Köpenick is located approximately 8-12 kilometres southeast of the centre in the former East Berlin. Treptow-Köpenick consists of 15 former districts in the south-eastern Berlin and covers an area of 168 km² with 232.000 inhabitants.

One of the 21 property complexes in the portfolio lies in Treptow-Köpenick.

Treptow-Köpenick is the biggest district in Berlin and with its many parks, gardens and green areas, for instance Treptower Park, Plänterwald and Köllnische Heideden, it has the biggest area of forest and water.

In Treptow-Köpenick there are shopping centres in the district Adlershof, "Marktpassagen", and in the district Alt-Treptow, "Park-Center". Treptow-Köpenick is the centre of the media industry of Berlin and since the reunion it has also become home to the technology park Adlershof Wissenschafts- und Wirtschaftsstadt (WiStA), where more than 20 university institutes and 350 technology companies are located.

The S-Bahn connects Treptow-Köpenick with the centre of Berlin as well as with the remaining districts in both the eastern and western Berlin. At the same time there are good connections to the neighbouring airport, Schönefeld Flughafen. The district is also still being serviced by a well-functioning tram-network.



Number of units 566
Population 308,000

Rental area, m² 23,852
Annual rent, EUR 1,000..... 1,260

CHARLOTTENBURG-WILMERSDORF

Charlottenburg–Wilmersdorf is located in the former West Berlin about 7-9 kilometres west of the centre. Two of the property complexes are located in this area.

Apart from the central location Charlottenburg-Wilmersdorf offers several green areas, for instance Volkspark Wilmersdorf, Jungfernheide and Grünewald. Charlottenburg-Wilmersdorf has some of the best shopping opportunities in Berlin. The most famous shopping streets are Kurfürstendamm and Tauentzienstrasse, where international stores with designer brands lies side by side with more common retail shops. The biggest department store in Northern Europe, the famous “Kaufhaus des Westens (KaDeWe)”, has been in this area since the beginning of the nineteenth century.

The district also offers cultural and historical attractions, which lie scattered in the attractive shopping areas. Charlottenburg-Wilmersdorf for example has old theatres like “Schiller Theater” from 1907 and the opera “Opernhaus” from 1912. The district previously has been domicile for several royal guests. This mixture of culture, history and shopping possibilities contributes to attracting many people to the area.

Charlottenburg-Wilmersdorf appears as an attractive residential area with property of high quality together with green areas. The district has an efficient public transport system, in which both the U-Bahn and the S-Bahn cross several stations in the area. The central location gives good access to the centre of Berlin.



Number of units 1,171
Population 316,000

Rental area, m² 53,444
Annual rent, EUR 1,000 3,077

MITTE

The district Mitte is an amalgamation from 2001 of the 3 central areas Mitte, Tiergarten and Wedding from 2001. The old Mitte, which lay in the former East Berlin, lies centrally, whereas Tiergarten and Wedding lie respectively 4-5 kilometres west and northwest of the centre of the former West Berlin.

One of the 21 property complexes in the portfolio is located in the old Mitte and another 8 of the property complexes are located in Wedding.

The district has several green areas, especially in Tiergarten. Historically Tiergarten was a forest area immediately outside the old town walls. Other green areas include Volkspark Humboldthain, which is the third biggest park in Berlin. Mitte offers a number of sights, for instance Brandenburger Tor. This district has especially benefited from the massive renovation phase, which Berlin underwent in the middle of the 1990', and for example, it houses today the German Parliament and the German Government.

Wedding is considered to be a traditional residential area, where most of the properties are constructed before the 2nd World War. Green areas are found in the neighbourhood around the parks for instance in Afrikanisches Viertel near Humboldthain and Schiller Park. The business community is also deeply rooted in Mitte, which has a good infrastructural network. This means that the workforce has easy transport to companies. Among the bigger companies in this area, Coca Cola and Electrolux can be mentioned.

The shopping possibilities are numerous all over the district, which also offers the exclusive shopping street Friedrichstrasse, Leipziger Platz and Potsdamer Platz, where the Potsdamer Platz Arkaden with its many shops is located.



Number of units 599
 Population 246,000

Rental area, m² 30,785
 Annual rent, EUR 1,000..... 1,239

REINICKENDORF

The district Reinickendorf consists of 9 smaller districts: Frohnau, Hermsdorf, Waidmannslust, Lübars, Wittenau, Tegel, Heiligensee, Konradshöhe and Reinickendorf. The entire district lies approximately 8-10 kilometres north of the centre in the former West Berlin. Reinickendorf covers an area of 89 km² and has approximately 246,000 inhabitants. Three of the property complexes in the portfolio lie in Reinickendorf.

Reinickendorf is a big district, which is not as populated as the areas closer to the centre. The areas around Tegel are also known under the name "Berlin's green lung". The district is characterized by having accommodation areas described as being medium to good.

The many small city centres, which Reinickendorf is characterized by, create good conditions for shopping everyday necessities. Established companies lie side by side with stores on the streets around the subway station Alt-Tegel. In the streets Gorkistrasse and Berliner Strasse service trades are dominant.

The infrastructure is well-developed in Reinickendorf. For instance the superhighway A111 connecting Berlin with Hamburg took its beginning here. Also, the Berlin-Tegel airport lies in continuation of Berliner Ring in the southern part of Reinickendorf. Both the U-Bahn and the S-Bahn pass through Reinickendorf.



Number of units 1,737
Population 218,000

Rental area, m² 106,239
Annual rent, EUR 1,000 5,097

SPANDAU

The district Spandau consists of the 8 smaller areas Falkenhagener Feld/Hakenfelde, Gatow, Haselhorst, Kladow, Siemensstadt, Spandau, Staaken and Wilhelmstadt. Spandau lies approximately 15-20 kilometres west of the centre and covers a total area of 92 km². There are many green areas in Spandau, which is located in the former West Berlin and borders on Charlottenburg-Wilmersdorf and Reinickendorf. 6 of the 21 property complexes lie in Spandau.

The heart of Spandau is the historical city centre Altstadt, which surrounds the old city hall. There are good shopping possibilities in the surrounding pedestrianized streets with many smaller shops. The area around Pichelsdorfer Strasse and Klosterstrasse is the second biggest shopping area after Altstadt.

The recent history of the district is dominated by Siemens, which has given name to Siemensstadt. This district lies in an area of 210,000 m², which the company bought in 1897.

Spandau includes several traditional accommodation areas, which have grown big in green almost rural areas. These areas therefore show signs of Spandau first being incorporated in Berlin in 1920.

In 1998 the train station ICE- und Fernbahnhof Spandau was built. The infrastructure is well-functioning with both U-Bahn and S-Bahn. Furthermore there are good connections between Altstadt and Staaken as well to the centre of Berlin and the surrounding region Brandenburg.

Group structure

This section describes ei invest properties – Berlin I GmbH & Co. KG together with the group structure, that ei invest properties – Berlin I GmbH & Co. KG is a part of. The group structure has been set up in order to ensure optimization of the possibilities at a future sale of the property portfolio, when the bonds have been redeemed in accordance with the bond terms.

ei invest properties – Berlin I GmbH & Co. KG is a German limited partnership company, see figure below. The limited partnership company shares in ei invest properties – Berlin I GmbH & Co. KG are owned by ei invest L 1 – Berlin I GmbH with 94.9 % and by ei invest L 2 – Berlin I GmbH with 5.1 %. The general partner in ei invest properties – Berlin I GmbH & Co. KG is ei invest General – Berlin I GmbH.

All 3 companies are wholly owned subsidiaries of ei invest – Berlin I ApS, which is owned by Michael Kaa Andersen and related parties (through Proark Properties ApS and SinCos Holding ApS), employees at EjendomsInvest (through Holdingselskabet af 20.12.2005 ApS) and Thylander Group (through Mila Invest ApS).

ei invest properties – Berlin I GmbH & Co. KG acquired the property portfolio in one transaction from the former owner GSW. ei invest properties – Berlin I GmbH & Co. KG has not before the acquisition of the portfolio had any other commercial activities. The sole activity of ei invest properties – Berlin I GmbH & Co. KG is ownership and administration of the portfolio and in addition to issue the bonds.

Potential conflicting interests

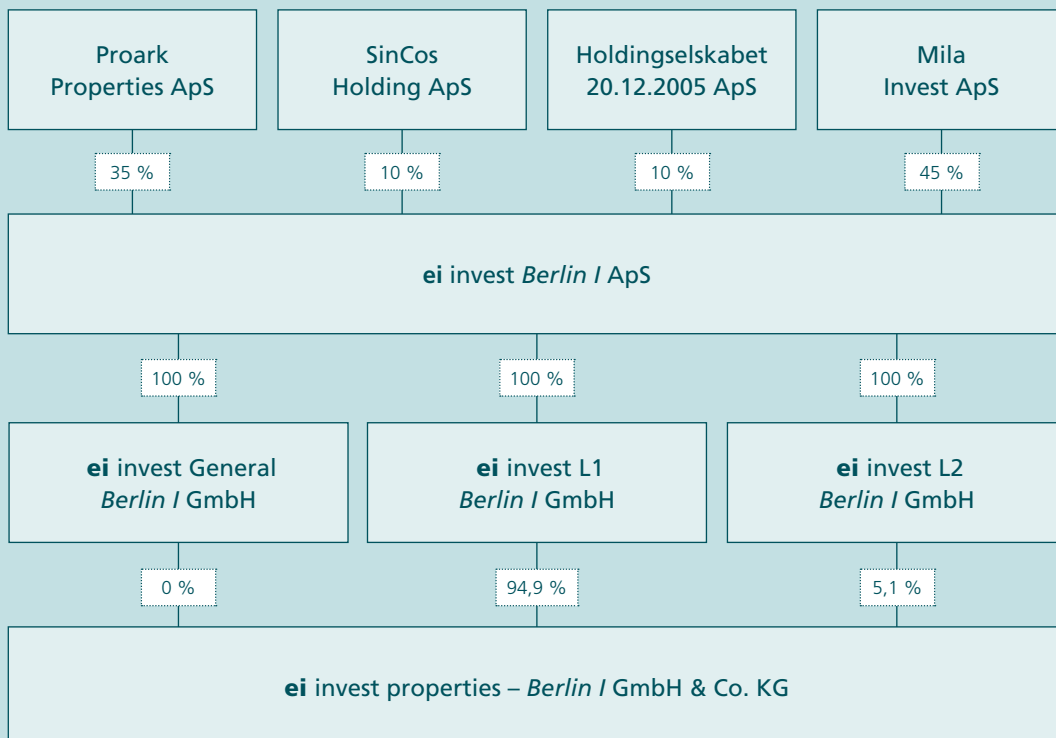
ei invest properties – Berlin I GmbH & Co. KG consider, that no actual or potential conflict exists between ei invest properties – Berlin I GmbH & Co. KG and members of the board in spite of the match with the ultimate ownership of the property portfolio.

Advisor and administration

ei invest properties – Berlin I GmbH & Co. KG has entered into an agreement for financing services and financial company administration with EjendomsInvest (Proark Group). According to this agreement, EjendomsInvest is advisor for ei invest properties – Berlin I GmbH & Co. KG concerning administration of the portfolio. In addition EjendomsInvest has advised ei invest properties – Berlin I GmbH & Co. KG in connection with the acquisition of the portfolio plus the establishment of the total financing of the portfolio.

EjendomsInvest are furthermore responsible for the administration of the related companies in the Berlin I Group as well as the communication with the Copenhagen Stock Exchange and investor relations. The daily operational administration of the individual properties in the different property complexes in Berlin are outsourced to the local property administrator GSW.

GSW has before the transfer of the property portfolio to ei invest properties – Berlin I GmbH & Co. KG owned the portfolio plus been in charge of the daily property administration, which results in a high level of knowledge of the portfolio. ►



- The board has entered into contract with the property administrator with integrated incentives, that sets requirements for the property administration. The board will continuously review, that the property administration is handled professionally and satisfactorily.

EjendomsInvest, which is one of the main companies in the Proark Group, was established in 1987 and is now operating in Germany, Sweden, Finland, England, Holland, France and Denmark. The 95 employees secures and manages real estate invest-

ments for companies as well as high value private investors, who prefer investment projects in properties, tenants, finance, management etc. are organised in limited partnerships or limited companies.

EjendomsInvest is the fund manager for ei invest, e.g. the property bond *Berlin I* and the fund ei invest nordisk retail which are both listed on the Copenhagen Stock Exchange. EjendomsInvest is known as market leader and one of the most prominent players in the Danish market of real estate investment.

The board of directors



Michael Kaa Andersen

DATE OF BIRTH: 6TH JANUARY 1957
CHAIRMAN SINCE 2005

Profession: CEO, EjendomsInvest and owner of the Proark Group.

Position of trust: Board member/Chairman in several companies in Proark Group. Board member among others in Basisbank A/S, Bella Center A/S, investment fund ei invest *nordisk retail*, Dansk Bygge & Pantebrevsselskab ApS plus several limited partnership companies with activities within real estate.



Lars Thylander

DATE OF BIRTH: 11TH AUGUST 1962

Profession: CEO, Thylander Group.

Position of trust: Board member in Victoria Properties, Thylander & Company A/S, House of Watches A/S, HW Excellence A/S, Mila Invest I ApS plus director and board member in several companies in Thylander Groups subsidiaries and associated companies.



Kurt Petersen

DATE OF BIRTH: 30TH JANUARY 1961

Profession: Finance director, EjendomsInvest and Proark Group.

Position of trust: Board member in several companies in Proark Group, among these Ejendomsselskabet Mercur A/S, Ejendomsselskabet Odin A/S, K/S Snekkersten Hotel & Spa.



Risk elements

Control of specific risks

A range of risks can influence ei invest properties – Berlin I GmbH & Co. KG's economic situation. ei invest properties – Berlin I GmbH & Co. KG sees to actively manage these risks, to ensure the best result for the bond owners and other partners.

The main scope of the work regarding risk management is monitoring by the board in cooperation with the financial company administration EjendomsInvest in accordance with the administration agreement.

It is recommendable to read section 8 "Risk elements", in the Prospectus, which has been prepared in connection with the initial listing of the bonds on the Copenhagen Stock Exchange.

Macroeconomic risks

Macroeconomic risks, which relates to possible changes in the general development in overall national economical elements, among these primarily interest- and currency issues. These are addressed by ei invest properties – Berlin I GmbH & Co. KG entering a fixed-interest 10 years bullet loan. Furthermore the seniorloan and juniorloan are raised

in EUR, and in this way assets and liabilities, beside the bond loan, are in the same currency.

Property specific risks

Property specific risks relates to elements, such as the portfolios acquisition and sale amount, vacancy, rent regulations and maintenance costs. ei invest properties – Berlin I GmbH & Co. KG have sought to meet these operational risks by entering into an incentive based agreement with the property administrator. A complete technical due diligence of the portfolio was performed in connection with the acquisition and subsequently the total amount was allocated over the period of 10 years. Furthermore, the rent regulation rate used in the budget, is of the same level as the historical inflation over the last 10 years. Acquisition and sale prices of the portfolio are among others depending on demand and supply for residential properties plus the national economical development in Germany and especially Berlin.

Financing risks

Financing risks relates to elements of financing character, for example elements related to refinancing, seniorloan and juniorloan plus the fixing of the price on the bonds etc.

ei invest properties – Berlin I GmbH & Co. KG have maintained the right to make early redemption of the bonds, for example as a consequence of the senior- and juniorloan falls due the 31st of October 2015. Trading with the bonds are marked by the actual supply and demand situation, which in periods can be marked by the bonds low liquidity, which again can have an impact on the fixing of the stock price. ei invest properties – Berlin I GmbH & Co. KG is seeking to manage this risk, by a diversification of the bonds across various investors. In the period from the listing to the expiry date, ei invest properties – Berlin I GmbH & Co. KG is not able to guarantee that the stock price on the bonds established on the Copenhagen Stock Exchange correspond to the asked price nor the redemption price.



Overall, the risks influencing *Berlin I* can be divided into five categories:

- Macroeconomic risks
- Property specific risks
- Financing risks
- Company related risks
- Political-legal risks

Other risks than above mentioned may arise.

Company related risks

Company related risks, concerns the property administrators and/or the financial company administrators ability to fulfil its obligations towards ei invest properties – Berlin I GmbH & Co. KG. ei invest properties – Berlin I GmbH & Co. KG are managing these risks by the property administrations agreement being based on incentive based conditions.

Political-legal risks

Political-legal risks relates among others to approvals from German authorities, amendments to law, tax law etc. Amendments to tax law for example the corporation tax rate, statement and calculation of tax depreciations regarding properties and regulations for companies capital position plus interest deduction are possible risks, which ei invest properties – Berlin I GmbH & Co. KG do not have an influence on.

Bond terms



ei invest *Berlin I* is one investment product among others under the brand ei invest. The purpose with the brand ei invest is to create the opportunity for investors to make investments in different types of property with disposable funds as well as pension funds. In this way investors acquire an opportunity to invest even minor amounts in properties, which are chosen on the basis of solid advisor competency within the field of property investments.

With ei invest *Berlin I* investors have yet another opportunity to invest in an attractive, stock listed product with security in a German property portfolio.

ISIN code and capital position

ei invest *Berlin I* 8 % bonds are listed on the Copenhagen Stock Exchange under the symbol "8eiBerlinI17" and the ISIN code is DK0030015474.

ei invest *Berlin I* 9 % bonds are listed on the Copenhagen Stock Exchange under the symbol "9eiBerlinI17" and the ISIN code is DK0030015557.

The bonds consists of total nominal DKK 100,000,000 8 % ei invest *Berlin I* and DKK 50,000,000 9 % ei invest *Berlin I* corresponding to total nominal DKK 150,000,000. The bonds are issued in denomination of nominal DKK 10,000 with third preferred mort-

gage in a portfolio consisting of 21 property complexes located in *Berlin* in Germany.

For additional detailed information refer to section 10 "Bond terms" in the Prospectus, which is available for download at www.eiinvest.dk (only in Danish language).

Development in listing price

ei invest *Berlin I* 8 % ended the year 2006 at price 111.5 according to the Copenhagen Stock Exchange, which is a increase of 7.5 price points compared to the beginning of 2006.

ei invest *Berlin I* 9 % ended the year 2006 at price 110.0 according to the Copenhagen Stock Exchange, which is a increase of 6 price points compared to the beginning of 2006.

Trading with the bonds are marked by the actual supply- and demand situation, which in 2006 has been marked by relatively low liquidity, which again has an impact on the fixing of the stock price. In the period from the listing to the expiry date ei invest properties – *Berlin I* GmbH & Co. KG is not able to guarantee that the price on the bonds established on the Copenhagen Stock Exchange corresponds to asked price nor the redemption price.

Bond redemption

Unless the bonds previously have been purchased and cancelled or redemption has been made in accordance with the bond terms, the bonds are due for ordinary redemption on the 31st of December 2017. If the bonds are due on a non banking day in Denmark, the payment is moved to the next banking day.

Ordinary redemption of the bonds is to be settled at the redemption dates to the following prices:

Tranche I (ei invest *Berlin I* 8 %): Price 120.1
Tranche II (ei invest *Berlin I* 9 %): Price 100.0

Right to premature redemption

The bonds are irredeemable from the bond owner's perspective until the redemption date, except in the special circumstances, that applies in connection with an eventual breach. Premature redemption of the bonds, wholly or partly, from ei invest properties – *Berlin I* GmbH & Co. KG's side can be performed on every banking day at the redemption prices in the individual years, which appears in figure 10.1 in the Prospectus.

Redemption notice at premature redemption

Premature redemption can only take place with at least 30 days written notice. Request of redemption is handed to the bond bank and to the Special Servicer.

Purchase of the bonds

ei invest properties – *Berlin I* GmbH & Co. KG can at any given time, and in accordance with the bond terms, purchase the bonds on the open market or in any other way. ei invest properties – *Berlin I* GmbH & Co. KG has the right to reinvest the bonds in the market.

De-registration

If redemption of the bonds is made premature by ei invest properties – *Berlin I* GmbH & Co. KG in accordance with the bond terms, the bonds will immediately be de-registered at the Danish Securities Centre.

Investor relations

Even though the stock prices on the bonds ei invest properties – *Berlin I* 8 % and 9 % has developed satisfactory, and there has been an increasing interest in ei invest *Berlin I* from the capital markets, the trading volume has as expected been moderate.

Due to the moderate volume traded, ei invest *Berlin I* will make efforts to develop the knowledge of the bonds. Through open and accessible information ei invest *Berlin I* will continue developing the dialog

with existing and potential investors plus other partners.

Investors and other interested parties with questions regarding ei invest Berlin I's investor relations, should contact:

Rikke Lykke, Fundmanager
ei invest management
Noerre Soegade 35 • 1370 Copenhagen K
Phone: +45 70 23 13 03 • e-mail: invest@eiinvest.dk

Information regarding ei invest Berlin I is also available at www.eiinvest.dk. Stock market announcements, press releases etc., will also be published on this website.

Bond bank

The bond bank is at the time of the bonds admittance for listing selected by ei invest properties – Berlin I GmbH & Co. KG charged to carry out the calculation and payment of interests and the principal amount. The bond bank was selected by ei invest properties – Berlin I GmbH & Co. KG to be Basisbank A/S. Further information can be obtained in annex 2 in Prospectus “Basisbank A/S – Bond bank agreement”, which is a part of the general bond terms.

Special Servicer

According to the Special Servicer agreement, CorpNordic Denmark A/S (Changed name from Amicorp Denmark A/S to CorpNordic Denmark A/S in 2006) is selected as the Special Servicer. The Special Servicer is selected on behalf of the bond owners to verify, that ei invest properties – Berlin I GmbH & Co. KG complies with the bond terms plus in addition on behalf of the bond owners to protect the bond owners creditor- and mortgage ranking agreement.

The bond owner's creditor- and mortgage authorities can in this way only be performed by the Special Servicer. No individual bond owner is entitled to carry out steps to collect its receivable regarding

the bonds. The Special Servicer is authorized to, latest at the issuing of the bonds, with the exclusive privilege of, to command over the mortgage on behalf of the bond owners. See also annex 3 in the Prospectus, “Special Servicer agreement”, which is a integrated part of the bond terms.

Payment of interests

In the period from the issuing of the bonds to the expiry date, the bonds carries the following interests:

Tranche I: nominal 8 % p.a.
Tranche II: nominal 9 % p.a.

The interests are payable at the settling day at the end of each year, which is the 1st of January.

If the interests are payable at a non banking day in Denmark, the payment of interests are deferred to the next banking day.

The settlement date is as described above every 1st of January in the bonds maturity period. The first interest payment was performed at the 1st of January 2007 which included the period from the issuing date to the 31st of December 2006, in total 13 months. Interest payment for the year 2007 will be payable at 1st of January 2008.

The interest is calculated on the basis of actual days in the interest period over a year with 365/366 days (actual/actual). If the interest for Tranche I and Tranche II, in accordance with the bond terms, is to be calculated for a part of a month, the interest is calculated on basis of the actual number of days, and a year with 12 months with the actual number of days in each month.

Statement by Management on the annual report

We have today presented the annual report of ei invest properties – Berlin I GmbH & Co. KG for the financial year 1st of January to 31st of December 2006.

This annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS), approved by the EU and additional Danish disclosure requirements regarding annual reports concerning companies which have issued stock listed bonds.

We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Company's financial position, income and cash flows.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30th of March 2007

Michael Kaa Andersen
(Chairman)

Lars Thylander
(Vice-chairman)

Kurt Petersen

Independent Auditors' Report

To the Shareholders of ei invest properties - Berlin I GmbH & Co. KG

We have audited the Annual Report of ei invest properties - Berlin I GmbH & Co. KG for the financial year ended 31 December 2006, which comprises the Statement of the Board of directors on the Annual Report, the Management's Review, a summary of significant accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement for the year then ended and notes for the Company. The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further reporting requirements for companies that have issued listed bonds.

The Board of Directors Responsibility for the Annual Report

The Board of directors are responsible for the preparation and fair presentation of this Annual Report in accordance with International Financial Reporting Standards as adopted by the EU and and further reporting requirements for companies that have issued listed bonds. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is 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 and Basis of Opinion

Our responsibility is to express an opinion on this Annual Report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the Annual Report 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 the Board of directors, as well as evaluating the overall presentation of the Annual Report.

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

Qualification

As discussed in the managements review on page 4 no fair market value evaluation of investment property have been performed in 2006 which, in our opinion, is not in accordance with International Financial Reporting Standards as adopted by the EU. Investment property has at 31 December 2006 been recognised at TEUR 149,000 which correspond to the fair market value recognised in the Annual Report for 2005. Management have stated, in management review on page 4, that the positive development in the property market has continued during 2006. However, as management has not performed a fair market value evaluation of the investment property, we are unable to quantify the effect on the Annual Report.

Copenhagen, 30th March 2007

Ernst & Young

Statsautoriseret Revisionsaktieselskab

Peter Hertz

State Authorised Public Accountant

Opinion

In our opinion, except for the effect on the Annual Report of the matter referred to in the preceding paragraph, the annual report gives a true and fair view of the Company's financial position at 31 December 2006 and of the results of the Company's operations and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU and further reporting requirements for companies that have issued listed bonds.

Henrik Reedtz

State Authorised Public Accountant

Accounting policies

Accounting policies

This annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS), approved by the EU, and other reporting requirements from the Copenhagen Stock Exchange, regarding annual reports concerning companies which have issued stock listed bonds.

The annual report also meets the International Financial Reporting Standards issued by IASB.

All standards and interpretations effective as of 31 December 2006 have been applied. The following standards and interpretations not effective for December 2006 year-end have not been implemented in the 2006 annual report:

- IFRS 7 – Financial Instruments – Disclosures.
- IAS 1 – Amendment – Capital disclosure.

The application of the above standards will not influence recognition and measurement but solely cause additional information in the notes.

The annual report is presented in Euro.

Change in accounting policies

During 2006, ei invest properties – Berlin I GmbH & Co. KG changed its accounting policy for the measurement of mortgage, bank and bond debt regarding investment properties. Previously the mortgage, bank and bond debt were measured at fair value, according to the fair value option in the International Accounting Standards 39 (IAS 39). ei invest properties – Berlin I GmbH & Co. KG has now decided to measure mortgage, bank and bond debt regarding investment properties to amortized cost, which corresponds to the proceeds received less transaction costs incurred.

The board judges that the new policy is preferable because it results in a more transparent measurement mortgage, bank and bond debt and is consist-

ent with the accounting policy used for similar property portfolios using IFRS in Germany and local German generally accepted accounting policies, making ei invest properties – Berlin I GmbH & Co. KG's annual reports more comparable. The total effect on the accounts is shown in the schedule below.

Correction to prior year

Tax is charged to the owner ei invest L1 - Berlin I GmbH and ei invest L2 - Berlin I, GmbH and is settled by the owners. In the financial statement for 2005 for ei invest properties – Berlin I GmbH & Co. KG, tax was calculated and measured in the income statement and balance sheet as deferred tax, which was a mistake in applying accounting policies. This has resulted in a correction to 2005. The total effect on the accounts is shown in the schedule below.

The effect of the changes in accounting policy and correction to prior year as shown above has been restated retrospectively on the comparative figures for 2005 in this annual report.

Except from the above changes of accounting principles, the accounting principles of the annual report are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to ini-

EFFECT OF CHANGE IN ACCOUNTING POLICIES			
EUR 1,000	Former policy	Effect of change	New policy
Profit of the year 2005	299	4,332	4,631
Total assets, per 31st of December 2005	156,571	0	156,571
Total liabilities, per 31st of December 2005	154,262	(4,332)	149,930
Equity, per 31st of December 2005	2,309	4,332	6,641

EFFECT OF CORRECTION TO PRIOR YEAR AFTER CHANGE IN ACCOUNTING POLICIES			
EUR 1,000	After change in accounting policy	Correction of error prior year	Accounts 31 of December 2005
Profit of the year 2005	4,631	107	4,738
Total assets, per 31st of December 2005	156,571	0	156,571
Total liabilities, per 31st of December 2005	149,930	(107)	149,823
Equity, per 31st of December 2005	6,641	107	6,748

tial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. This includes value adjustments of financial assets and liabilities measured at fair value or amortised cost.

Foreign currency translation

Euro is specified as the company's functional currency. The functional currency is the currency, which is used in the primarily economic environment, where the company operates. Transactions in other currencies than the functional currency are defined as foreign currency translations.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Rental income

Rental income from tenants are measured in the income statement for the period the income concerns. Tenants' contributions of operating costs are set off in the property expenses.

Property expenses

Property expenses include expenses directly attributable to the operating of the properties, among these repair and maintenance, electricity, heating,

property taxes, insurance, caretaker etc. in the scope that these expenses are covered by the tenants.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration.

Fair value adjustment on investment property

Fair value adjustment on investment property including non-realised value adjustment of investment properties for the accounting year and including profit or loss in connection with the sale of such investment properties are recognized in the income statement as a separate item.

Financial items

Financial items include the interest earned and paid, realised and unrealised capital gains and losses in transactions in foreign currencies, amortisation of finance expenses etc.

Income tax

Tax is charged to the owners ei invest L1 – Berlin I GmbH and ei invest L2 – Berlin I, GmbH and is settled by the owners.

Investment property

Properties purchased for the purpose to gain profit of the invested capital in the form of continuously operating profit/loss and or capital gain in connection with a sale, are defined as investments properties.

Investment properties are on initial recognition measured at cost plus addition of expenses connected with the purchase. Investment properties are subsequent to initial recognition measured at fair value. Fair value is calculated on a yield based model on the basis of the properties operating profit and a market-based required rate of return periodical supplemented with external valuation reports. At valuation, eventual deferred maintenance work, regulations to market rent, vacancy etc. is taken into consideration.

Provided that investment in properties is carried out as acquisition of a property company, a concrete estimation is performed on the time of the acquisition, whether IFRS 3 "Business Combination" or IAS 40 "Asset Purchase" applies.

All of the groups properties are treated under IAS 40 "Asset Purchase"

Receivables

Receivables are measured at amortised cost, which generally correspond to nominal value, with deduction of write down to meet expected losses.

Prepayments

Prepayments recognized under assets include costs concerning succeeding financial year. Prepayments are measured at amortised cost, which generally correspond to nominal value.

Equity

Reserve for market value adjustments

This item includes unrealised market value adjustments of the investment properties.

Deferred and payable tax

Deferred and payable tax is recognised at level of the owners ei invest L1 - Berlin I GmbH and ei invest L2 - Berlin I, GmbH.

Financial liabilities

Mortgage to credit institutions and banks plus bond debt are measured as the received proceed at loan rising after deduction of paid transaction costs. Interest-bearing debt is subsequently measured at amortised costs.

Other liabilities

Other liabilities are measured at amortised cost, which generally correspond to nominal value.

Deferred income

Deferred income is recognised under liabilities and

include received payments concerning income in following years. Deferred income are measured at amortised cost, which generally correspond to nominal value.

Cashflow statement

Cashflow statement is presented in accordance with the direct method and shows the company's annual cashflow from operating activities, investments and finance plus the company's change from the beginning to the end of the year in cash and cash equivalents.

Cashflows from operating activities are calculated as the net profit of the year adjusted for non-cash operational items, changes in the working capital and paid financial items.

Cashflows from investing activities include payments in connection with the purchase or sale of fixed- and financial assets.

Cashflows from financing activities include changes in the size or composition of the company's share capital and related costs as well as the raising of loans and instalments on interest-bearing debt.

Cash and cash equivalents include cash and short-term securities with an insignificant price risk less shortterm bank debt.

Key figures

Key figures are defined and calculated in accordance with "Recommendations & Ratios 2005" issued by the Danish Society of Financial Analysts.

KEY FIGURES

Return on assets	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average assets}}$
Return on equity	$\frac{\text{Net profit/loss} \times 100}{\text{Average equity}}$
Equity to debt ratio	$\frac{\text{Equity} \times 100}{\text{Average liabilities}}$

Income statement

01 January - 31 December 2006

EUR 1,000		2006	2005
Note		12 months	2 months
	Rental income	10,988	1,757
	Property expenses	(1,188)	(55)
	Gross profit before value adjustments	9,800	1,702
1	Fair value adjustment on investment property	49	4,476
	Gross profit	9,849	6,178
2	Administrative expenses	(2,448)	(364)
	Operation profit	7,401	5,814
3	Other financial income	23	31
4	Financial expenses	(7,331)	(1,107)
	Pre tax profit	93	4,738
5	Tax on the profit for the financial year	0	0
	Net profit	93	4,738

Balance

Assets / Equity and liabilities 31 December

EUR 1,000		2006	2005
Note	ASSETS		
	Non-current assets		
6	Investment property	149,000	149,000
	Tangible assets total	149,000	149,000
	Non-current assets total	149,000	149,000
	Current assets		
	Accounts receivable, rent	347	344
	Prepayments	0	21
	Other receivables	121	51
	Cash and cash equivalents	1,298	7,155
	Current assets total	1,766	7,571
	Assets total	150,766	156,571
Note	EQUITY AND LIABILITIES		
	Equity		
7	Capital	2,010	2,010
	Reserve for fair value adjustment	4,525	4,476
	Retained earnings	306	262
	Equity total	6,841	6,748
	Non-current liabilities		
8	Mortgage and bank debt	124,417	121,359
9	Bond debt	16,950	16,698
	Non-current liabilities total	141,367	138,057
	Current liabilities		
	Trade creditors	288	1,057
10	Other bank debt	765	0
	Accrued expenses	0	59
11	Other payables	1,505	10,650
	Current liabilities total	2,558	11,766
	Liabilities total	143,925	149,823
	Total equity and liabilities	150,766	156,571
12	Accounting estimates		
13	Financial commitments		
14	Related parties		
15	Financial exposure		

Statement of changes in equity 2005

15 November - 31 December 2005

EUR 1,000	15 NOVEMBER 2005 - 31 DECEMBER			2005
	Capital	Reserve for value adjustments	Retained earnings	Total
Equity at 15 November 2005 as reported in the annual report 2005	0	0	0	0
Net profit for the year	0	4,476	262	4,738
Total income	0	4,476	262	4,738
Capital contribution	2,010	0	0	2,010
Total changes in equity in 2005	2,010	4,476	262	6,748
Equity at 31 December 2005	2,010	4,476	262	6,748
Net profit for the year consists of reported profit in the annual report 2005 TEUR 299, correction to prior year TEUR 107 and net effect of change in accounting policy TEUR 4,332 in total TEUR 4,738.				

Statement of changes in equity 2006

01 January - 31 December 2006

EUR 1,00	01 JANUARY - 31 DECEMBER			2006
	Capital	Reserve for value adjustments	Retained earnings	Total
Equity at 31 December 2005 as reported in the annual report 2005	2,010	106	193	2,309
Net effect of changes in accounting policies	0	4,332	0	4,332
Corrections to prior year	0	38	69	107
Equity 1 January 2006 after the above adjustments	2,010	4,476	262	6,748
Net profit for the year	0	49	44	93
Total income	0	49	44	93
Capital contribution	0	0	0	0
Total changes in equity in 2006	0	49	44	93
Equity at 31 December 2006	2,010	4,525	306	6,841

Cashflow statement

01 January - 31 December 2006

EUR 1,000		2006	2005
Note		12 months	2 months
	Cashflow from operations		
16	Paid from tenants	10,926	1,472
17	Paid out to suppliers etc.	(4,099)	(572)
	Cashflow from operations before net interest	6,827	2,044
18	Interest income etc.	23	19
19	Interest expense etc.	(7,112)	(76)
	Cashflow from operations after net interest	(262)	1,987
	Cashflow from investment activities		
	Acquisition, investment properties	(9,409)	(134,866)
	Cashflow from investment	(9,409)	(134,866)
	Cashflow from financing activities		
	Instalments on long-term liabilities	3,024	141,596
	Expenses, raising of long-term liabilities	25	(3,572)
	Capital contribution	0	2,010
	Instalments on short-term liabilities	765	0
	Cashflow from financing activities	3,814	140,034
	Net change in cash and cash equivalents	(5,857)	7,155
	Cash and cash equivalents, beginning of the period	7,155	0
	Cash and cash equivalents, ending of the period	1,298	7,155

Notes

EUR 1,000	2006	2005
Note	12 months	2 months
1 FAIR VALUE ADJUSTMENT ON INVESTMENT PROPERTY		
Investment properties	49	4,476
2 ADMINISTRATIVE EXPENSES		
Portfolio management fee	1,060	177
Audit fee	72	75
Other administrative expenses	1,316	112
Total	2,448	364
The company has no employees. No fees were paid to the executive board.		
Audit fee specification:		
Audit	54	65
Other services	18	10
Total	72	75
3 OTHER FINANCIAL INCOME		
Other interest earned	23	19
Unrealized exchange profit	0	12
Total	23	31
4 FINANCIAL EXPENSES		
Interest expenses, mortgage and bank debt	7,069	1,062
Amortization finance expenses	249	45
Unrealized exchange loss	12	0
Other finance expenses	1	0
Total	7,331	1,107
5 TAX ON THE PROFIT FOR THE FINANCIAL YEAR		
Tax is charged to the owners ei invest L1 - Berlin I GmbH og ei invest L2 - Berlin I, GmbH and is settled by the owners.		

Notes

EUR 1,000	2006	2005
<i>Note</i>		
6 INVESTMENT PROPERTY		
Costs		
Balance at 1 January	144,524	0
Additions	0	144,524
Disposals (acquisition expenses)	(49)	0
Costs at 31 December	144,475	144,524
Revaluations		
Revaluations at 1 January	4,476	0
Revaluations in the year	49	4,476
Revaluations at 31 December	4,525	4,476
Carrying amount at 31 December	149,000	149,000
Fair value is calculated on a yield based model, on the basis of the properties operating profit and a market based requested rate of return, periodical supplemented with external valuation reports.		
No external valuation at 31 December 2006 has been performed where as Stangl GmbH performed a valuation of the portfolio at 25 October 2005.		
7 CAPITAL		
Balance at 1 January	2,010	0
Contributed capital	0	2,010
Balance 31 December	2,010	2,010
The contributed capital is not divided into capital classes.		

Notes

EUR 1,000						2006	2005	
Note						12 months	2 months	
8	MORTGAGE AND BANK DEBT							
	Loan	Currency	End	Fixed/ floating	Effective interest	Nominal value		
	Seniorloan	EUR	2015	Fixed	4.00%	90,000	90,000	
	Juniorloan	EUR	2015	Floating	5.53%	34,503	34,503	
	Total mortgage and bank debt, nominal value						124,503	121,479
	Expenses, net						(86)	(120)
	Total mortgage and bank debt 31 December						124,417	121,359
	<p>The effective interest rate for the seniorloan for the first two years are 4.15 % and from there on 4.00 % to the loan expires in 2015.</p> <p>At the aquisition of the property portfolio, a registration dividing a property was a condition for part of the Seniorloan. The registration dividing the property is completed in 2006, and the rest financing, TEUR 3.024 has been paid out during 2006.</p> <p>Term to maturity on mortgage and bank debt are 9 years.</p>							
9	BOND DEBT							
	Loan	Currency	End	Fixed/ floating	Effective interest	Nominal value		
	ei invest Berlin I	DKK	2017	Fixed	9.00%	6,706	6,706	
	ei invest Berlin I	DKK	2017	Fixed	8.00%	13,412	13,412	
	Total bond loan, nominal value						20,118	20,106
	Finance expenses incl. provision premium bonds						(3,168)	(3,408)
	Total bond debt						16,950	16,698
	Term to maturity on bond debt is 11 years.							
10	OTHER BANK DEBT							
	The company have at its disposal, unutilized long term credit drawing right in total TEUR 3.235.							
11	OTHER PAYABLES							
	Interests						944	986
	Costs payable						560	9,658
	VAT						0	6
	Other costs payable						1	0
	Total						1,505	10,650

12 ACCOUNTING ESTIMATES

At the preparation of the financial statement it is necessary for the board of directors to make estimates and revaluations, which can have a material influence on the annual report.

The board of directors of ei invest properties - Berlin I GmbH & Co. KG consider the following accounting estimates and revaluations concerning measurement of the investment properties as material for the annual report.

The market value calculations concerning the investment properties are performed using a discounted cash flow model (DCF-method). This model presumes, the preparation of a 5-10 year budget together with a terminal period for the portfolio as a whole, which for each year takes fluctuation in income and expenses into account. The cashflow and terminal period are discounted to net present value using the actual required rate of return, applicable for the portfolio standard and location, at which the actual marketvalue derives.

The essential factor in the marketvalue calculations is the required rate of return (RRR). An increase in the required rate of return results in a decrease in the marketvalue. During periods with low economic growth, decreasing demand for investment properties must be expected, which result in increasing market related required rate of returns.

An increase of the required rate of return by 0.1 percentage point, will result in a decrease of the marketvalue of the total investment properties by EUR 2.0 mio. In this case the equity will be reduced from the actual balance of EUR 6.8 mio. to EUR 4.8 mio.

13 FINANCIAL COMMITMENTS

Mortgage on T.EUR 90,000 has been recorded in land register with senior lender as mortgagee. Furthermore mortgage for each property in the portfolio has been recorded in land register with junior lender as mortgagee. This mortgage also provides security for the bondholders.

Rent payments from the tenants are paid into a bankaccount, which is mortgaged to the above mentioned mortgagees.

Notes

14 RELATED PARTIES

Related parties with controlling interest consist of ei invest L1 – Berlin I GmbH as a consequence of this companies share of participating capital.

Related parties with controlling interest beyond the parent company consist as well of ei invest – Berlin I ApS as a consequence of being the ultimate parent company.

Other related parties is considered to consist of companies in the ei invest Berlin I ApS group, Proark Properties ApS (Proark Group), SinCos Holding ApS, Holdingselskabet af 20.12.2005 ApS and Thylander Group.

Other related parties consist of the board of directors.

Related party transactions in the financial year:

Investment and management agreement has been entered into with EjendomsInvest and Thylander Group. The total fee for the financial year 2006 amounts to TEUR 1,060 (2005: TEUR 2,839), hereof 80 % to EjendomsInvest and 20 % to Thylander Group. Basisbank A/S act as the bondbank, administrative fee amounts to TEUR 14. EjendomsInvest and Basisbank are both a part of the Proark Group.

Accounts with related parties consisting of purchase of products and services, are without interest and is settled with conditions equal to the companies other suppliers.

Accounts with related parties consisting of non-material advance payments etc., are settled with interest on market conditions.

No transaction with the board of directors have taken place.

15 FINANCIAL EXPOSURE

Currency rate exposure

Currency rate exposure is limited due to the currency rate cooperation ERM II between DKK and EUR, where the danish currency is kept within +/- 2.25 % compared to a fixed central rate.

Currency	Longterm assets	Other assets	Liabilities	Netposition
EUR (1,000)	149,000	1,766	126,975	23,791
DKK (1,000)	0	0	16,950	(16,950)

Interest exposure

Seniorloan is a fixed-rate loan at 4.00 % in 10 years (the 2 first years 4.15 %) expires 31st of October 2015. Juniorloan is interest variable based on fixed-rate periods on 3 or 6 months. Interest rate at 31st of December 2006 was 5.53 %.

Bond debts interest rate is fixed-rate loans at 9 % and 8 %.

EUR 1,000		2006	2005
Note		12 months	2 months
16 PAID FROM TENANTS			
Rental income		10,988	1,757
Change in accrued expenses		(59)	59
Change in receivable rent		(3)	(344)
Total		10,926	1,472
17 PAID OUT TO SUPPLIERS ETC.			
Property expenses		(1,188)	(55)
Administrative expenses		(2,448)	(364)
Change in prepayments, deferred charges		(49)	(71)
Change in trade creditors etc.		(463)	1,062
Total		(4,148)	572
18 INTEREST INCOME ETC.			
Other financial income		23	31
Unrealized exchange profit		0	(12)
Total		23	19
19 FINANCIAL EXPENSES			
Financial expenses as specified in note 4		(7,331)	(1,107)
Amortization finance expenses		249	45
Unrealized exchange loss		12	0
Change in interest accruals		(42)	986
Total		(7,112)	(76)

Stock exchange information



Financial calendar 2007

The board of directors of ei invest properties – Berlin I GmbH & Co. KG has decided the following dates for announcement of financial results in 2007 and date for ordinary bond owner meeting:

30th of March 2007	Annual report 2006
23rd of April 2007	Bond owner meeting
31st of May 2007	Quarterly announcement for 1st quarter 2007
31st of August 2007	Half year announcement for 1st – 2nd quarter 2007
30th of November 2007	Quarterly announcement for 1st – 3rd quarter 2007

All reports and announcements will immediately after publication be accessible at ei invest's website: www.eiinvest.dk (only in Danish language).

The 30th of March 2007, the annual report 2006 will be available for download at www.eiinvest.dk

STOCK MARKET ANNOUNCEMENTS 2006

For "8 % ei invest Berlin I 2017" and "9% ei invest Berlin I 2017"

NR	Date	Announcement
1	3rd of February	Financial calendar 2006
2	3rd of February	Financial calendar 2006 – updated
3	29th of March	Notice convening ordinary bond owner meeting 2006
4	31st of March	Annual report 2005 – ei invest properties – Berlin I GmbH & Co. KG
5	7th of April	Statement from Special Servicer in ei invest properties - Berlin I GmbH & Co. KG
6	24th of April	Process of ordinary bond owner meeting
7	30th of April	Quarterly announcement 1st quarter 2006
8	31st of August	Half year announcement 1st – 2nd quarter 2006
9	30th of November	Quarterly announcement 3rd quarter 2006

Company information



ei invest properties - Berlin I GmbH & Co. KG.
c/o GSW
Geschäftsstelle City
Gobelstrasse 55 A
D-13627 Berlin

Registration number: HRA84964
Financial year: 1st of January – 31st of December
Registered office: Berlin, Germany

Board of directors

Michael Kaa Andersen (Chairman)
Lars Thylander (Vice-Chairman)
Kurt Petersen

Investor relations

Rikke Lykke (Fund Manager)

Auditor

Ernst & Young
Tagensvej 86
2200 Copenhagen N

Bond owner meeting

Ordinary bond owner meeting information:

Date: Monday the 23rd of April 2007
Time: 11.00 AM
Place: EjendomsInvest
Noerre Soegade 35
1370 Copenhagen K



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1370 Copenhagen K

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