

# Preliminary announcement of financial statements for 2006



*Reported to the Copenhagen Stock Exchange on 30 March 2007*

Summary:

## Very satisfactory profit for the company Keops EjendomsObligationer I A/S

The profit for the financial year 2006 amounts to DKK 128.1 million before tax. Profit before tax and before value adjustments amounts to DKK 14.8 million which is at the level of the expectations.

Value adjustments of investment properties and debt, net contributes by DKK 113.3 million to profit for the year before tax.

Equity amounts to DKK 199.9 million at 31 December 2006 compared with DKK 107.6 million the year before. The development in equity considerably exceeds the budget expectation in the original prospectus.

The Group operations, comprising all SAS' Danish corporate domicile and training properties in Amager, have been carried out according to plan in 2006.

The Supervisory Board considers the profit for 2006 very satisfactory.

For 2007, unchanged operations and revenue of approx. DKK 68 million as well as profit before tax and value adjustments of approx. DKK 17 million are expected.

*Please address questions relating to this Notice to Head of Communications Susanne Lindø on telephone +45 3341 0000.*



**Notice to the Stock Exchange no. 19**  
**Keops EjendomsObligationer I A/S**

Central Business Registration no. 27 24 16 54

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## Company details

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Central Business  
Registration no.: 27 24 16 54  
Established on: 4 July 2003  
Registered in: Copenhagen

### **Supervisory Board**

Kjeld Birch (Chairman)  
Ole Vagner  
Claus Hjorth Madsen

### **Executive Board**

Claus Hjorth Madsen

### **Company auditors**

Deloitte Statsautoriseret Revisionsaktieselskab  
Datavej 58  
3460 Birkerød

The Annual General Meeting will be held on 27 April 2007.



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## Financial highlights

Consolidated financial highlights in DKK '000 <sup>1)</sup>				
	2006	2005	2004	2003
	12 months	12 months	12 months	6 months
Revenue	66.829	65.462	63.944	13.240
Operating expenses	-116	-102	-125	-1.364
Value adjustments of investment properties and debt, net	113.345	101.114	-6.572	-
Gross profit	180.058	166.474	57.247	11.876
Administrative expenses	-850	-874	-1.055	-376
Net financials	-51.099	-51.877	-52.667	-13.978
Profit before tax	128.109	113.723	3.525	-2.478
Tax on profit for the year	-35.867	-31.825	-1.057	743
<b>Profit for the year</b>	<b>92.242</b>	<b>81.898</b>	<b>2.468</b>	<b>-1.735</b>
Fixed assets	1.143.966	1.030.978	918.264	881.668
Current assets	6.675	15.985	3.316	23.306
<b>Total assets</b>	<b>1.150.641</b>	<b>1.046.963</b>	<b>921.580</b>	<b>904.974</b>
Share capital	12.500	12.500	12.500	12.500
<b>Equity</b>	<b>199.873</b>	<b>107.631</b>	<b>25.733</b>	<b>23.265</b>
Provisions	68.006	32.139	314	-
Liabilities other than provisions	882.762	907.193	895.532	881.709
Cash flows from operating activities	6.123	21.940	-15.898	110.765
Cash flows for investing activities, net	-	-	206	-881.667
Cash flows from financing activities	-15.450	-9.270	-3.090	793.000
<b>Total cash flows</b>	<b>-9.327</b>	<b>12.670</b>	<b>-18.782</b>	<b>22.098</b>
<b>Ratios</b>				
Return on equity (after tax)	60,0%	122,8%	10,1%	-14,9%
Solvency	17,4%	10,3%	2,8%	2,6%
Equity value	16,0	8,6	2,1	1,9
Earnings per share, DKK	7.379,4	6.551,8	197,4	-138,8
Dividend	0%	0%	0%	0%
<b>Number of employees at year-end</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The ratios have been calculated according to "Recommendations and Ratios 2005" of the Danish Society of Financial Analysts. Please refer to definitions and concepts under accounting policies.

- 1) The Company was established on 4 July 2003, and therefore, no comparative figures have been provided for years prior to this.

## Management's review

### Business concept

The Company's purpose is, via investments in other companies, to own and operate letting business with properties located in Amager let out to SAS as well as to raise the necessary financing for the Group's activities.

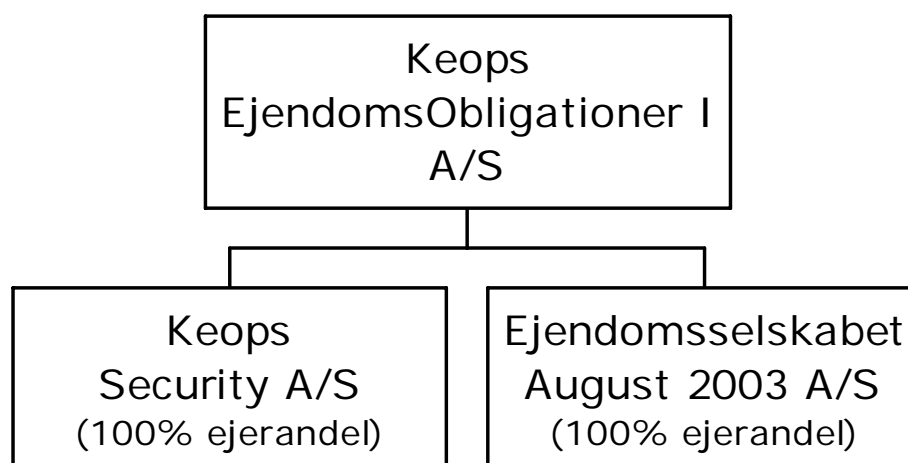
As a part of raising the financing for acquisition of the SAS properties, the Company has issued fixed yield commercial bonds of a total of DKK 150 million. The bonds are listed on the Copenhagen Stock Exchange and have been issued in three series with maturities of five, ten and 15 years, respectively.

### Financial objective

The Company has concluded ten-year and 15-year rental agreements with SAS. The objective is to achieve annual operating return before interest of approx. 8% on the original acquisition price of the property. Also, the Company's expectation is that the value of the properties will in future increase in rate with the development in indexation.

### Group structure

At 31 December 2006, the Group consists of the following companies:



### Activities

#### *Keops EjendomsObligationer I A/S*

The Company has issued commercial bonds of a total of DKK 150 million which are listed on the Copenhagen Stock Exchange. The proceeds from the issue have been lent to Keops Security A/S. Apart from this, the Company only functions as holding company for the subsidiaries.

#### *Keops Security A/S*

This company has borrowed DKK 150 million from Keops EjendomsObligationer I A/S. This amount has been lent to Ejendomsselskabet August 2003 A/S against mortgage in the SAS properties. The company has provided a personal guarantee to the owners of the commercial bonds issued by Keops EjendomsObligationer I A/S.

## Management's review

### *Ejendomsselskabet August 2003 A/S*

The purpose of this company is to own, let out and operate the properties located on Hedegårdsvej 80-82 and 88, 2300 Copenhagen S, Engvej 155, 159 and 163, 2300 Copenhagen S, Skøjtevej 16, 2770 Kastrup as well as Amager Strandvej 390-392, 2770 Kastrup. At the same time, rental agreement has been concluded with SAS about the use of the properties for SAS' Danish activities, such as Danish headquarters, data centre, offices, training facilities, production and storage. The total area of the properties is 87,497 sq. m. The rental agreements are interminable for ten years for two of the properties, while the interminability is 15 years for the other two properties, all agreements commencing on 15 October 2003. The rent is adjusted regularly by 2.25% p.a., and SAS pays all operating expenses, incl. maintenance.

### **Financing**

Financing of the properties has been raised partly by taking out loan in Germany credit institution, DKK 618 million, partly by loan in Keops Security A/S of DKK 150 million. Both loans are secured by mortgage in the properties.

### **The year in main features**

The Company's income statement shows a profit of DKK 92,242 thousand, and the Company's balance sheet at 31 December 2006 shows equity of DKK 199,873 thousand.

The profit for the year has materially been earned by positive value adjustments of investment properties and debt of net DKK 113,345 thousand.

In the entire financial year, rental income from the properties has been received, and the operations have been carried out as expected.

Operating profit before value adjustments and tax amounts to DKK 14,764 thousand, which is at the level of the expectations stated in the Company's interim report.

Management considers the profit very satisfactory.

### **Risk factors**

The Company's Management will currently monitor the risks which the Group is facing and will attempt to ensure hedging of them in due consideration of the Company's overall objective of creating value for the Company's shareholders. Below, a number of the risk factors which the Company's Management assesses to have special significance as well as Management's current assessment of the actual risk are listed:

External risk factors:

- SAS' ability to pay rental income over the next 15 years, alternatively at which values the properties will be relet or realised has direct influence on the Group's revenue. SAS is listed and is owned by 50% by the Danish, Swedish and Norwegian States, while 50% is owned by private investors. Management assesses that the risk of SAS being unable to meet its rental commitments is presently small. This is i.a. reasoned by the ownership structure of SAS.
- Contamination has been found on two of the properties which, according to effective rules, does not affect the present use of the properties. Pursuant to the rental agreements, SAS is liable to incur all costs relating to contamination, as long as SAS is tenant of the properties. Therefore, Management assesses that this risk will not result in financial losses for the Group.
- Changes in the Company's interest rate on financing will affect profit negatively or positively. Management has prevented this risk by fixing the interest rate on the Group's loans as the senior priority loan has been taken out on a fixed-rate basis for ten years while the bond loans carry fixed yields in the maturities of five, ten and 15 years, respectively.

## Management's review

- Notice has been given of expropriation for all properties in connection with establishment of the Østamagerbane (metro), and in the financial year 2004, two expropriations were carried out. According to the rental agreements, SAS is liable to endure all inconvenience related to the warned expropriation of the properties. Accordingly, Management assesses that the planned expropriation will not significantly influence the value of the properties by their current use.

Internal risk factors:

- Apart from Supervisory and Executive Boards, the Company has no employees, and therefore, all assignments relating to administration of the companies and the properties are conducted by external cooperating partners. If due care is not shown in the management and administration of the assets, it may negatively affect the Company's profit. The selected cooperating partners, DATEA A/S and Keops A/S, both have many years of experience in handling this type of assignments, and therefore, Management assesses this risk to be low.

### Events after the balance sheet date

After the balance sheet date, operations have been carried out satisfactorily. In the Supervisory Board's estimate, no events have occurred which may materially influence the Company's operations or financial position.

### Outlook for 2007

Management expects unchanged operations and activities in 2007. Revenue is expected to amount to approx. DKK 68 million, and profit before value adjustments and tax is expected to amount to approx. DKK 17 million.

## Shareholder information

### Share capital

Keops EjendomsObligationer I A/S has a share capital of a total of DKK 12,500,000 allocated into 12,500 certificates of nominally DKK 1,000.

### Dividends

According to the Company's Articles of Association, distribution of dividends to the shareholders may only take place if all bonds issued by the Company have been redeemed, or the Company's excess liquidity, in the Supervisory Board's opinion, is undoubtedly sufficient for the Company to be able to settle its liabilities with the bond owners.

### Composition of shareholders at 1 February 2007 (name and domicile):

	Number of shares	% of equity
Keops EjendomsHolding A/S, Copenhagen	6,125	49.00%
Alm. Brand Bank, Copenhagen	1,550	12.40%
Morsø Sparekasse, Nykøbing Mors	1,325	10.60%
Roskilde Bank, Roskilde	1,225	9.80%
Sparekassen Sjælland, Holbæk	950	7.60%
Investeringsforeningen SparInvest, Tjele	725	5.80%
Alm. Brand Liv, Copenhagen	<u>600</u>	<u>4.80%</u>
Total	<u>12.500</u>	<u>100.00%</u>

### Policy for treasury shares

The Company's Articles of Association do not allow acquisition of own shares.

### Information about bonds issued

The Company has issued the following bonds listed on the Copenhagen Stock Exchange:

10% Bond Loan, DKK 30,000,000, maturity 2003-2009, ISIN code DK0003444941  
 11% Bond Loan, DKK 50,000,000, maturity 2003-2014, ISIN code DK0003444867  
 12% Bond Loan, DKK 70,000,000, maturity 2003-2019, ISIN code DK0003444784

Yield accrues annually on 1 January, first time on 1 January 2004. The loan amounts and yield rates are fixed in the entire maturity.

#### Notices to the Stock Exchange for the period 1 January 2006 to 30 March 2007

No.	Date	Subject
19	30 March 2007	Preliminary announcement of financial statements for 2006
18	31 January 2007	Financial calendar
17	31 August 2006	Interim report for the first interim 2006
16	27 April 2006	Minutes of Annual General Meeting
15	20 April 2006	Annual report for 2005
14	20 April 2006	Notice to convene Annual General Meeting
13	31 March 2006	Preliminary announcement of financial statements for 2005

#### Financial calendar for 2007

30 March 2007	Preliminary announcement of financial statements for the financial year 2006
27 April 2007	Annual General Meeting for the financial year 2006
31 August 2007	Interim financial statements for the financial year 2007



## Shareholder information

### Contacts

On Keops EjendomsObligationer I A/S' website [www.ejendomsobligationer.dk](http://www.ejendomsobligationer.dk) further information is available. Please address inquiries relating to investor relations and the share market to Corporate Affairs:

Head of Communications Susanne Lindø  
Telephone +45 3341 0000  
Fax +45 3341 0010  
E-mail [sli@keops.dk](mailto:sli@keops.dk)

## Statement by Management on the annual report

The Supervisory and Executive Boards have today prepared the annual report for the Group and Keops EjendomsObligationer I A/S for 2006. The annual report has been transacted and adopted today.

The annual report has been prepared in accordance with the Danish Financial Statements Act, Danish Accounting Standards as well as additional requirements of the Copenhagen Stock Exchange on financial reporting of companies with listed bonds.

We consider the accounting policies appropriate and the accounting estimates reasonable, and we believe that the annual report contains the information relevant for evaluation of the Parent's and the Group's financial affairs. We therefore believe that the annual report provides a true and fair view of the Group's and the Parent's financial position and the results of their activities and cash flows for the financial year 2006.

The annual report is recommended for adoption at the Annual General Meeting.

Copenhagen, 30 March 2007

### **Executive Board**

Claus Hjorth Madsen

### **Supervisory Board**

Kjeld Birch  
(Chairman)

Ole Vagner

Claus Hjorth Madsen

Adopted at the Company's Annual General Meeting, on 27 April 2007

Chairman of the General Meeting

## The independent auditors' report

### To the shareholders of Keops EjendomsObligationer I A/S

We have audited the annual report of Keops EjendomsObligationer I A/S for the financial year 1 January to 31 December 2006 which comprises the Statement by Management on the annual report, Management's review, accounting policies, income statement, balance sheet, cash flow statement and notes. The annual report has been prepared in accordance with the Danish Financial Statements Act, Danish Accounting Standards as well as additional requirements of the Copenhagen Stock Exchange on financial reporting of companies with listed bonds.

### Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of the annual report in accordance with the Danish Financial Statements Act and Danish Accounting Standards. 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.

### Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the 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 auditor's judgment, 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 considers internal control relevant for 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 the accounting policies used and the reasonableness of accounting estimates made by Management 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.

Our audit has not resulted in any qualification.

### Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent's financial position at 31 December 2006 and of the results of their activities and cash flows for the financial year 1 January to 31 December 2006 in accordance with the Danish Financial Statements Act and Danish Accounting Standards as well as additional requirements of the Copenhagen Stock Exchange on the financial reporting of companies with listed bonds.

Copenhagen, 30 March 2007

### Deloitte

Statsautoriseret Revisionsaktieselskab

Britta Fladeland Iversen  
State Authorised Public Accountant

Tom Rasmussen  
State Authorised Public Accountant



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## Accounting policies

The annual report of Keops EjendomsObligationer I A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class D enterprises, Danish Accounting Standards as well as additional requirements of the Copenhagen Stock Exchange on the financial reporting of companies with listed bonds.

The applied accounting policies have not been changed from last year, and overall are the following:

### 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 as a result of a prior event the Company has a legal or constructive obligation, 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 initial 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.

### Reporting currency

The annual report has been presented in Danish kroner.

### Consolidated financial statements

The consolidated financial statements comprise the Parent as well as subsidiaries in which Keops EjendomsObligationer I A/S directly possesses 100% of the shares and the voting rights.

On consolidation, intragroup income and expenses, shareholdings and intra-group balances between the consolidated enterprises are eliminated.

### Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquisition which is the time at which control of the enterprise is acquired. Sold or wound up enterprises are recognised in the consolidated income statement until the time of sale or winding up which is the time when control of the enterprise is transferred to a third party. Comparative figures are not restated for newly acquired, sold or wound up enterprises.

On acquisition of new enterprises, the purchase method is applied according to which the newly acquired enterprises' identified assets, liabilities and contingent liabilities are measured at fair value at the time of acquisition. Identifiable intangible assets are recognised if they can be separated or arise out of a contractual right, and the fair value can be calculated reliably. Deferred tax is recognised of the reassessments made.

The cost of an enterprise consists of the fair value of the consideration paid plus the costs directly attributable to the acquisition of enterprise. If the final determination of the consideration is conditional upon one or several future events, these adjustments will only be recognised in cost if the relevant event is likely and the effect in cost can be calculated reliably.

## Accounting policies

Positive differences (goodwill) between cost of the acquired enterprise and the fair value of the acquired, identified assets, liabilities and contingent liabilities are recognised in intangible assets. Goodwill is tested annually for impairment. The initial impairment test is carried out before the end of the year of acquisition. On acquisition, goodwill is attributed to the cash generating units which subsequently form the basis for the impairment test.

For negative differences (negative goodwill) between cost of the acquired enterprise and fair value of the acquired identified assets, liabilities and contingent liabilities, a reassessment is made of the calculated fair values and the calculated cost of the enterprise. If fair value of the acquired assets, liabilities and contingent liabilities after reassessment still exceeds cost, the balance is recognised as income in the income statement.

Profits or losses on sale or winding up of subsidiaries are calculated as the difference between selling price or winding up proceeds and the carrying amount of net assets at the time of the sale or winding up, including goodwill, accumulated exchange adjustments taken directly to equity as well as anticipated costs of sale or winding up. The selling price is measured at the fair value of the consideration received.

## Income statement

### Revenue

Revenue comprises rental income which is accrued and recognised as income according to the rental agreements concluded.

### Operating expenses

Operating expenses comprise costs incurred to achieve revenue for the year, including costs in connection with operation of the properties.

### Value adjustment of investment properties and debt, net

The change for the year in the fair value of investment properties and related debt is recognised in the income statement in the financial statement item "Value adjustment of investment properties and debt, net".

### Administrative expenses

Administrative expenses include expenses incurred during the year for management and administration of the Company.

### Financial income and expenses

Financial income and expenses are recognised in the income statement by the amounts attributable to the financial year. Financial income and expenses comprise interest income and expenses relating to mortgage credit institutions, banks and related enterprises, as well as amortisation premium/allowance on mortgage debt, etc. as well as surcharge and repayment under the Danish Tax Prepayment Scheme.

## Accounting policies

### Tax on profit/loss for the year

The Company is subject to the Danish rules on mandatory joint taxation of the Company's Danish subsidiaries. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the consolidated financial statements and until the time when they are taken out of the consolidation.

The Company is management company for the joint taxation and consequently settles all payments of corporation tax with the tax authorities.

The current Danish income tax is allocated by settlement of joint tax contribution among the jointly taxed companies proportionally to their taxable income. In this relation, enterprises with tax losses receive repayment of the tax loss utilised in the joint taxation.

Tax for the year, which consists of current tax for the year and changes in deferred tax, also as a result of change in tax rate, is recognised in the income statement by the portion attributable to the profit/loss for the year and classified directly as equity by the portion attributable to entries directly in equity.

### Current tax and deferred tax

According to the rules on joint taxation, Keops EjendomsObligationer I A/S as management company will take over the liability for the subsidiaries' corporation taxes towards the tax authorities as the subsidiaries pay their joint tax contribution.

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income as well as for prepaid taxes.

Joint tax contributions payable and receivable are recognised in the balance sheet under receivables from or payables to group enterprises.

Deferred tax is measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry-forward, are recognised by the value at which they are expected to be utilised, either by setting off tax against future earnings or by a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax.

## Balance sheet

### Investment properties

On initial recognition, investment properties are measured at cost which comprises the acquisition price of the property and any directly related costs.

Investment properties are subsequently measured property by property at fair value. Measurement is made by application of a discounted cash flow model, by which future cash flows from the ownership of the investment properties are discounted. Return requirements (discount factors) are determined property by property.

Expenses, adding new or improved qualities to an investment property in relation to the time of acquisition and which thereby improve the future return of the property, are added to the acquisition price as an improvement. Expenses which do not add new or improved qualities to an investment property are recognised in the income statement under operating expenses.

## Accounting policies

Value adjustments are taken to the income statement under the item "Value adjustment of investment properties and debt, net". Positive value adjustments of investment properties less deferred tax are taken via the distribution of profit to reserve for fair value of investment assets under equity.

### Investments in group enterprises

Investments in group enterprises are measured at net asset value, and the profits or losses in group enterprises are included in the income statement of the Parent. The Parent's and the Group's results and equity are subsequently identical. Group enterprises' profits or losses are included in the item "Profit/loss in group enterprises".

Net revaluation of investments in group enterprises is taken to equity to reserve for net revaluation under the equity method to the extent the carrying amount exceeds cost.

### Receivables from group enterprises

Receivables from group enterprises relating to the financing of the investment properties are measured at fair value. Changes in fair value are recognised under financial income and expenses in the income statement.

### Other receivables

Receivables are measured at amortised cost or a lower net realisable value calculated on the basis of an individual assessment of each claim.

### Mortgage debt/bond debt, etc.

Mortgage debt to mortgage credit institutions and bond debt are recognised on the inception of the loans at fair value. Subsequently, these debt items are measured at fair value. The change in fair value is recognised in the income statement under the item "Value adjustment of investment properties and debt, net". Adjustment of mortgage debt is tied under equity in "Reserve for fair value".

### Other liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which corresponds to nominal value.

## Cash flow statement

The cash flow statement shows the Group's cash flows allocated into operating activities, investing activities and financing activities for the year, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year. The cash flow statement is stated according to the indirect method based on the profit for the year.

### *Cash flow from operating activities*

Cash flows from operating activities are calculated as consolidated profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

### *Cash flow for investing activities*

Cash flows from investing activities comprise payments in connection with the purchase and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

## Accounting policies

### *Cash flows from financing activities*

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs, payment of dividends to shareholders as well as the raising of loans and instalments on interest-bearing debt.

Cash only comprises deposits in banks.

### **Segment information**

It is not relevant to allocate the Group's and the Company's activities into different business segments or geographical areas, and therefore, no segment information has been provided.

### **Ratios**

Ratios have been prepared in accordance with "Recommendations and Ratios 2005" of the Danish Society of Financial Analysts.

The ratios stated in the list of financial highlights have been calculated as follows:

Return on equity (after tax)

$$\frac{\text{Profit after tax x 100 (converted into full-year income)}}{\text{Average equity}}$$

Solvency

$$\frac{\text{Equity at year-end x 100}}{\text{Total equity and liabilities at year-end}}$$

Net asset value at year-end

$$\frac{\text{Total equity at year-end}}{\text{Share capital at year-end}}$$

Earnings per share, DKK  $\frac{\text{Profit after tax and minority interests (converted into full-year income)}}{\text{Average number of shares}}$

Dividend

Parent's dividend ratio



## Income statement

1 January to 31 December 2006

	Note	Group		Keops Ejendoms- Obligationer I A/S	
		1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000
		Revenue	1	66,828,612	65,462
Operating expenses		-115,852	-102	0	0
Value adjustment of investment property and debt, net	5	113,345,000	101,114	0	0
<b>Gross profit</b>		<b>180,057,760</b>	<b>166,474</b>	<b>0</b>	<b>0</b>
Administrative expenses	2	-850,185	-874	-171,231	-177
<b>Operating profit/(loss)</b>		<b>179,207,575</b>	<b>165,600</b>	<b>-171,231</b>	<b>-177</b>
Profit in group enterprises	9	0	0	128,352,475	113,962
Financial income	3	323,614	204	49,349,082	16,905
Financial expenses	4	-51,422,246	-52,081	-49,421,383	-16,967
<b>Profit before tax</b>		<b>128,108,943</b>	<b>113,723</b>	<b>128,108,943</b>	<b>113,723</b>
Tax on profit for the year	6	-35,866,952	-31,825	-35,866,952	-31,825
<b>Profit for the year</b>		<b>92,241,991</b>	<b>81,898</b>	<b>92,241,991</b>	<b>81,898</b>

## Distribution of profit for Keops EjendomsObligationer I A/S

The distributable amount constitutes:	Group		Keops Ejendoms- Obligationer I A/S
	1/1-31/12 2006 DKK	1/1-31/12 2006 DKK	
	Transferred from previous years	95,130,710	95,130,710
Profit for the year	92,241,991	92,241,991	
For distribution	187,372,701	187,372,701	
Which the Supervisory Board proposes distributed as follows:			
Taken to reserve for fair value	149,678,640		0
Transferred to net revaluation according to the equity method	0		176,041,493
Retained earnings	37,694,061		11,331,208
Distributed	187,372,701		187,372,701

## Balance sheet at 31 December 2006

		Group		Keops Ejendoms- Obligationer I A/S	
	Note	31/12 2006 DKK	31/12 2005 DKK '000	31/12 2006 DKK	31/12 2005 DKK '000
<b>Assets</b>					
<b>Fixed assets</b>					
Investment properties	7	1,143,966,000	1,030,978	0	0
<b>Property, plant and equipment</b>		<b>1,143,966,000</b>	<b>1,030,978</b>	<b>0</b>	<b>0</b>
Receivables from group enterprises	8	0	0	196,918,000	164,475
Investments in subsidiaries	9	0	0	201,541,493	109,128
<b>Fixed asset investments</b>		<b>0</b>	<b>0</b>	<b>398,459,493</b>	<b>273,603</b>
<b>Fixed assets</b>		<b>1,143,966,000</b>	<b>1,030,978</b>	<b>398,459,493</b>	<b>273,603</b>
<b>Current assets</b>					
Deferred tax	12	0	0	86,079	86
Other receivables		16,236	0	0	0
<b>Receivables</b>		<b>16,236</b>	<b>0</b>	<b>86,079</b>	<b>86</b>
<b>Cash</b>	10	<b>6,658,594</b>	<b>15,985</b>	<b>123,738</b>	<b>131</b>
<b>Current assets</b>		<b>6,674,830</b>	<b>15,985</b>	<b>209,817</b>	<b>217</b>
<b>Assets</b>		<b>1,150,640,830</b>	<b>1,046,963</b>	<b>398,669,310</b>	<b>273,820</b>

## Balance sheet at 31 December 2006

		Group		Keops Ejendoms- Obligationer I A/S	
	Note	31/12 2006 DKK	31/12 2005 DKK '000	31/12 2006 DKK	31/12 2005 DKK '000
<b>Equity and liabilities</b>					
Share capital		12,500,000	12,500	12,500,000	12,500
Reserve for fair value		149,678,640	68,070	0	0
Net revaluation according to the equity method		0	0	176,041,493	83,628
Retained earnings		37,694,061	27,061	11,331,208	11,503
<b>Equity</b>	11	<b>199,872,701</b>	<b>107,631</b>	<b>199,872,701</b>	<b>107,631</b>
Deferred tax	12	68,006,009	32,139	0	0
<b>Provisions</b>		<b>68,006,009</b>	<b>32,139</b>	<b>0</b>	<b>0</b>
Deposits		63,611,500	63,611	0	0
Mortgage debt	13	585,530,000	630,690	0	0
Bond debt	13	196,918,000	164,475	196,918,000	164,475
<b>Long-term liabilities other than provisions</b>		<b>846,059,500</b>	<b>858,776</b>	<b>196,918,000</b>	<b>164,475</b>
Short-term portion of long-term debt	13	12,360,000	15,450	0	0
Payables to group enterprises		0	0	1,791,109	1,570
Deferred income	14	19,814,985	19,379	0	0
Other payables		4,527,635	13,588	87,500	144
<b>Short-term liabilities other than provisions</b>		<b>36,702,620</b>	<b>48,417</b>	<b>1,878,609</b>	<b>1,714</b>
<b>Liabilities other than provisions</b>		<b>882,762,120</b>	<b>907,193</b>	<b>198,796,609</b>	<b>166,189</b>
<b>Equity and liabilities</b>		<b>1,150,640,830</b>	<b>1,046,963</b>	<b>398,669,310</b>	<b>273,820</b>
Other liabilities	15				
Related parties	16				
Supervisory and Executive Boards	17				

## Cash flow statement

Group		
	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000
<b>Cash flow statement</b>		
Profit for the year before tax	128,108,943	113,722
Value adjustment of investment property	-112,988,000	-112,714
Adjustment of debt to market value	-357,000	11,600
Financial income	-323,614	-204
Financial expenses	51,422,246	52,081
<b>Cash flows before working capital changes</b>	<b>65,862,575</b>	<b>64,485</b>
Change in receivables	-16,236	0
Change in receivables from group enterprises	0	0
Change in payables	0	-8
Change in payables to group enterprises	0	13
Change in other payables and deferred income	381,654	320
<b>Cash flows from primary operating activities</b>	<b>66,227,993</b>	<b>64,810</b>
Financial income, paid	323,614	204
Financial expenses, paid	-60,428,281	-43,075
<b>Cash flows from ordinary operating activities</b>	<b>6,123,326</b>	<b>21,939</b>
Corporation taxes paid	0	0
<b>Cash flows from operating activities</b>	<b>6,123,326</b>	<b>21,939</b>
Acquisition of investment properties and operating equipment	0	0
Sale of investment properties and operating equipment	0	0
<b>Cash flows for investing activities</b>	<b>0</b>	<b>0</b>
Change in bank, mortgage and bond debt	-15,450,000	-9,270
<b>Cash flows from financing activities</b>	<b>-15,450,000</b>	<b>-9,270</b>
<b>Cash flows for the year</b>	<b>-9,326,674</b>	<b>12,669</b>
Cash and cash equivalents, at the beginning of the year	15,985,268	3,316
<b>Cash and cash equivalents, at year-end</b>	<b>6,658,594</b>	<b>15,985</b>

The cash flow statement cannot be derived directly from balance sheet and income statement.

## Notes

	Group		Keops Ejendoms- Obligationer I A/S	
	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000
<b>1. Revenue</b>				
Rental income, investment property	66.753.592	65.285	0	0
Other income	75.020	177	0	0
	<b>66.828.612</b>	<b>65.462</b>	<b>0</b>	<b>0</b>
<b>2. Administrative expenses</b>				
Fee, auditors appointed by the General Meeting				
Auditor Deloitte, statutory audit	185.000	0	125.000	0
Auditor Ernst & Young, statutory audit	0	185	0	131
Auditor Ernst & Young, non-audit services	0	61	0	19
Auditor Ernst & Young, adj. previous year	-69.500	0	-37.500	0
	<b>115.500</b>	<b>246</b>	<b>87.500</b>	<b>150</b>
The Parent has had no employees in the past financial period.				
In the financial year, DKK 150 thousand has been paid as remuneration of the Supervisory and Executive Boards.				
<b>3. Financial income</b>				
Interest income, bank	323.614	204	6.082	5
Interest income, group enterprises	0	0	16.900.000	16.900
Fair value adjustments	0	0	32.443.000	0
	<b>323.614</b>	<b>204</b>	<b>49.349.082</b>	<b>16.905</b>
<b>4. Financial expenses</b>				
Interest expenses, mortgage banks	34.520.527	35.136	0	0
Interest expenses, bonds	16.900.000	16.900	16.900.000	16.900
Interest expenses, group enterprises	0	1	90.052	51
Interest expenses, extra-group companies	7.020	25	0	3
Fair value adjustments	0	0	32.443.000	0
Other financial expenses	-12.624	13	-12.624	13
Payment fees, etc.	7.323	6	955	0
	<b>51.422.246</b>	<b>52.081</b>	<b>49.421.383</b>	<b>16.967</b>
<b>5. Value adjustment of investment property and debt, net</b>				
Revaluation, investment property	112.988.000	112.714	0	0
Write-down, investment property	0		0	0
<b>Total revaluation and write-down</b>	<b>112.988.000</b>	<b>112.714</b>	<b>0</b>	<b>0</b>
Adjustment, liabilities other than provisions, gain	32.800.000	0	0	0
Adjustment, liabilities other than provisions, loss	-32.443.000	-11.600	0	0
<b>Total adjustment, liabilities other than provisions</b>	<b>357.000</b>	<b>-11.600</b>	<b>0</b>	<b>0</b>
<b>Value adjustment of investment property and debt, net</b>	<b>113.345.000</b>	<b>101.114</b>	<b>0</b>	<b>0</b>

## Notes

	Group		Keops Ejendoms- Obligationer I A/S	
	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000
	<b>6. Tax on profit for the year</b>			
Tax on profit for the year	0	0	0	0
Tax in group enterprises	0	0	0	0
Adjustment for the year of deferred tax	35,866,952	31,825	35,866,952	31,825
	<b>35,866,952</b>	<b>31,825</b>	<b>35,866,952</b>	<b>31,825</b>
Tax on profit for the year can be explained as follows:				
Calculated 28% tax on profit for the year	35,870,504	31,842	35,870,504	31,842
Tax value of permanent differences	0	0	0	0
Other adjustments	-3,552	-17	-3,552	-17
<b>Total</b>	<b>35,866,952</b>	<b>31,825</b>	<b>35,866,952</b>	<b>31,825</b>
<b>Effective tax rate</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>

	Group		Keops Ejendoms- Obligationer I A/S	
	31/12 2006 DKK	31/12 2006 DKK	31/12 2006 DKK	31/12 2006 DKK
	<b>7. Investment properties</b>			
Cost at 1/1 2006	881,461,141		0	
<b>Cost at 31/12 2006</b>	<b>881,461,141</b>		<b>0</b>	
Revaluation at 1/1 2006	149,516,859		0	
Revaluation for the year	112,988,000		0	
<b>Revaluation at 31/12 2006</b>	<b>262,504,859</b>		<b>0</b>	
<b>Carrying amount at 31/12 2006</b>	<b>1,143,966,000</b>		<b>0</b>	
As security for the Group's long-term liabilities other than provisions, mortgage has been provided in the investment properties, the carrying amount of which at 31 December 2006 constitutes DKK 1,144 million.				

## Notes

				Public assessment 2006 (DKK million)	Carrying amount 31/12 2006 (DKK)
	Location	Return rate	Year of acquisition		
SAS Headquarters	Hedegaardsvej	6.50%	2003	432.0	387,480,000
SAS Data centre	Engvej	8.00%	2003	222.0	164,225,000
SAS Offices	Skøjtevej	6.25%	2003	15.8	64,009,000
SAS offices, etc.	Amager Strandvej	6.25%	2003	329.0	528,252,000
				<b>998.8</b>	<b>1,143,966,000</b>

The return requirements (the discount factor) applied in the discounted cash flow model have been determined based on an assessment performed by an external valuation expert. However, a fixed return rate is applied for the property located on Engvej, as this property is subject to an agreement that SAS may reacquire the property in the period 2008 to 2012 at an already determined return requirement.

The return rate for the year amounts to 7.6%  
The return rate has been calculated as gross profit excl. value adjustment of investment properties and debt, net in relation to the acquisition price of the investment properties.

	Keops Ejendoms- Obligationer I A/S			
	Group			
	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000	1/1-31/12 2006 DKK	1/1-31/12 2005 DKK '000
<b>8. Receivables from group enterprises</b>				
Balance at the beginning of the year	0	0	164,475,000	160,125
Changes for the year	0	0	32,443,000	4,350
<b>Balance at year-end</b>	<b>0</b>	<b>0</b>	<b>196,918,000</b>	<b>164,475</b>



## Notes

	Registered in	Ownership share	Profit before tax	Equity
<b>9. Profit in group enterprises</b>				
Keops Security A/S	Copenhagen	100%	12,766	517,774
Ejendomsselskabet August 2003 A/S	Copenhagen	100%	128,339,709	201,023,719
			<b>128,352,475</b>	<b>201,541,493</b>
			<b>Ejd.selskabet</b>	
		<b>Keops Security A/S</b>	<b>August 2003 A/S</b>	<b>Total</b>
Cost				
Balance at 1/1 2006		500,000	25,000,000	25,500,000
<b>Cost at 31/12 2006</b>		<b>500,000</b>	<b>25,000,000</b>	<b>25,500,000</b>
Revaluation and write-down				
Balance at 1/1 2006		8,564	83,619,129	83,627,693
Profit for the year before tax		12,766	128,339,709	128,352,475
Tax on profit for the year		-3,556	-35,935,119	-35,938,675
<b>Revaluation and write-down at 31/12 2006</b>		<b>17,774</b>	<b>176,023,719</b>	<b>176,041,493</b>
<b>Carrying amount at 31/12 2006</b>				<b>201,541,493</b>
<b>10. Cash</b>				
Cash, DKK 6,659 thousand, has been provided as security for the Group's mortgage debt, which at 31 December 2006 represents DKK 597,890 thousand.				

<b>11. Equity</b>				
The Company's share capital represents DKK 12,500,000 allocated into shares of DKK 1,000.				
Equity has developed as follows (Group):				
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Reserve for fair value</b>	<b>Total</b>
Equity at 1/1 2006	12.500.000	27.060.572	68.070.138	107.630.710
Profit for the year	0	10.633.489	81.608.502	92.241.991
<b>Equity at 31/12 2006</b>	<b>12.500.000</b>	<b>37.694.061</b>	<b>149.678.640</b>	<b>199.872.701</b>

## Notes

<b>11. Equity</b>				
Equity has developed as follows (Keops EjendomsObligationer I A/S):				
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Net revaluation according to the equity method</b>	<b>Total</b>
Equity at 1/1 2006	12,500,000	11,503,018	83,627,692	107,630,710
Profit for the year	0	-171,810	92,413,801	92,241,991
<b>Equity at 31/12 2006</b>	<b>12,500,000</b>	<b>11,331,208</b>	<b>176,041,493</b>	<b>199,872,701</b>
	<b>Share capital at the beginning of the year</b>	<b>Additions the year</b>	<b>Share capital at year-end</b>	
Financial year 2003		0	12,500,000	12,500,000
Financial year 2004		12,500,000	0	12,500,000
Financial year 2005		12,500,000	0	12,500,000
Financial year 2006		12,500,000	0	12,500,000

	Group		Keops Ejendoms-Obligationer I A/S	
	1/1-31/12 2006	1/1-31/12 2005	1/1-31/12 2006	1/1-31/12 2005
	DKK	DKK '000	DKK	DKK '000
<b>12. Deferred tax</b>				
Deferred tax at 1/1 2006	32,139,058	314	-86,049	314
Adjustment of deferred tax	35,866,951	31,825	-30	-400
<b>Deferred tax at 31/12 2006</b>	<b>68,006,009</b>	<b>32,139</b>	<b>-86,079</b>	<b>-86</b>
Deferred tax at year-end is included in the financial statement items:				
Receivables	0	0	-86,079	-86
Provisions	68,006,009	32,139	0	0
	<b>68,006,009</b>	<b>32,139</b>	<b>-86,079</b>	<b>-86</b>
Deferred tax relates to:				
Tax loss carry-forwards	-86,079	-86	-86,079	-86
Investment property	68,092,088	32,225	0	0
	<b>68,006,009</b>	<b>32,139</b>	<b>-86,079</b>	<b>-86</b>

## Notes

Group					Keops Ejendoms- Obligationer I A/S
<b>13. Long-term liabilities other than provisions</b>					
The Company's long-term liabilities other than provisions mature as follows:					
Currency	Payment/ expiry	Fixed/ floating	Redemption yield	Carrying amount	Carrying amount
Mortgage debt, DKK	Less than 1 year	Fixed 10 years	5.7%	12,360,000	0
Mortgage debt, DKK	1-5 years	Fixed 10 years	5.7%	49,440,000	0
Bond debt, DKK	1-5 years	Fixed	10.0%	30,000,000	30,000,000
Mortgage debt, DKK	More than 5 years	Fixed 10 years	5.7%	528,390,000	0
Bond debt, DKK	More than 5 years	Fixed	11.0%-12.0%	120,000,000	120,000,000
Fair value adjustment				54,618,000	46,918,000
				<b>794,808,000</b>	<b>196,918,000</b>
Deferred income consists of prepaid rent.					

**14. Deferred income**

Deferred income consists of prepaid rent.

**15. Other liabilities**

The Parent is jointly taxed with its subsidiaries Keops Security A/S and Ejendomsselskabet August 2003 A/S, and the Parent is jointly and severally liable for the taxes which relate to the joint taxation until and including the financial year 2004.

The Company has not assumed guarantee, security or other commitments, apart from what is considered normal for a property company and otherwise appears from the annual report.

**16. Related parties**

The Group's related parties consist of the Company's shareholders and Keops A/S Group, Scandiagade 8, 2450 Copenhagen SV., in which the Company is included as an associate. During the year, the Group has had transactions with Keops EjendomsHolding A/S, and companies in Keops Group have provided property and company management as well as assistance in connection with mediation and acquisition of investment properties. All fees and outstanding balances have been settled at market terms in the financial year and have constituted:

	1/1-31/12 2006	1/1-31/12 2005
	DKK	DKK '000
Interest expenses, outstanding balances	7,020	26
Keops A/S, management fee	26,445	0
Keops InvestorPartner A/S, management fee	26,445	51
InvestorPartner A/S Forvaltningsselskab	409,744	400

## Notes

### 17. Supervisory and Executive Boards

Keops EjendomsObligationer I A/S' Supervisory and Executive Boards have the following managerial positions in other Danish public companies:

#### Supervisory Board

##### **Kjeld Birch**

Director in:

Birch & Company A/S.

Supervisory Board member of:

Birch & Company A/S.

##### **Ole Vagner**

Director in:

Højhuset Mørkhøj A/S, Keops A/S.

Supervisory Board member of:

Handels- og Investeringselskabet Hegedal A/S, Lomax A/S, Center Syd A/S, DOMINO Norrköping A/S, Capinordic Bank A/S, Capinordic A/S, Højhuset Mørkhøj A/S, HFI-Holding A/S, HFI-Invest A/S, M2 A/S.

##### **Claus Hjorth Madsen**

Director in:

IPS-Innovative Products & Services A/S.

Supervisory Board member of:

Melsted Badehotel A/S, IPS-Innovative Products & Services A/S.

#### CEO

##### **Claus Hjorth Madsen**

Director in:

IPS-Innovative Products & Services A/S.

Supervisory Board member of:

Melsted Badehotel A/S, IPS-Innovative Products & Services A/S.