

Annual report for the financial year 2005/2006, outlook is maintained, expansion of the Executive Board

Reported via StockWise to the Copenhagen Stock Exchange on 16 January 2007

Keops hereby announces:

- **Annual report for the financial year 2005/2006 has been audited and approved**
- **Audited profit, equity and total cash flows are unchanged in relation to the preliminary announcement of financial statements**
- **Outlook for 2006/07 is maintained**
- **The Executive Board of Keops A/S is expanded and strengthened – new uniform English job title structure**

Annual report for the financial year 2005/06

The Supervisory Board has today discussed and approved the Company's audited annual report for the financial year 2005/06. The annual report is enclosed.

Profit for the year before tax (DKK 873 million), equity (DKK 1,723 million) and the total cash flows (DKK 613 million) are unchanged compared with the preliminary announcement of financial statements of 14 December 2006.

Since the preliminary announcement of financial statements, Keops has, in close cooperation with the auditors, thoroughly reviewed the financial statements and the full set of notes. This has resulted in some changes in classification, which have not affected the consolidated profit, equity and total cash flows.

The most significant changes are caused by two circumstances. As a result of the formerly mentioned separation of Keops Development, a thorough review of the property holding has led to certain properties – in accordance with Keops' accounting policies – now being transferred to investment properties. Furthermore, Keops has decided to reclassify acquisition and sale of securities from cash flows from operating activities to cash flows from investing activities.

The preparation of the full set of notes has furthermore resulted in correction of certain classification errors in balance sheet and cash flow statement.

The above lead to changes in relation to the preliminary announcement of financial statements of which the most significant ones are the following:

Balance sheet

The balance sheet is reduced by DKK 358 million to DKK 18,212 million.

The reasons for this i.a. are set-off of provisions for projects in the value of these projects, set-off of holding of own bonds in bond debt and reclassification of receivables from associates.

In connection with the separation of Keops Development, properties of a carrying amount of DKK 987 million have been transferred from Keops Development to investment properties in Keops Asset Management. This affects a number of sub-totals in assets and



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Keops A/S**

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liabilities as well as in the segment information and value adjustments, which are reduced by DKK 13 million to DKK 641 million.

Cash flow statement

In relation to the preliminary announcement of financial statements, the total effect of the changes in classification on the cash flow statement is that cash flows from operating activities are reduced by DKK 72 million to DKK 2 million, cash flows from investing activities are changed by DKK 644 million to negative DKK 5,300 million and cash flows from financing activities drop by DKK 572 million to DKK 5,911 million. The net effect on the total cash flows is zero.

The cash flow statement is influenced by the reclassifications made in the balance sheet. Most significantly by the transfer of properties from Keops Development to Keops Assets Management. Cash flows from operating activities increases by DKK 987 million as changes in the property portfolio in Keops Development affect cash flows from operating activities, whereas changes in the property portfolio in Keops Asset Management affect cash flows from investing activities, which is therefore reduced by DKK 987 million.

Further to this, acquisition and sale of securities of DKK 739 million have been moved from cash flows from operating activities to cash flows from investing activities. Comparative figures for 2004/05 have been restated.

Finally, changes have been made in the cash flow statement regarding the treatment of the acquisition of M2, the sale of Keops Proviso Fondsmæglerselskab A/S and the subscription for 33% of the shares in CapiNordic A/S. This affects a number of items in the cash flow statement, but not total cash flows.

Apart from these, certain ratios in the annual report have been restated in relation to the preliminary announcement of financial statements.

Outlook for 2006/07

Keops maintains the expectation of profit before tax for 2006/07 in the order of DKK 500-700 million, of which value adjustments of properties and debt amount to DKK 170 million, as announced in the preliminary announcement of financial statements.

Keops' efforts to consolidate and strengthen the Group's capital structure by the sale of three earmarked portfolios of investment properties follow the determined plan. If sale is realised as planned, the proceeds at Group level are expected to be of such size that it will exceed the Parent company's external interest bearing debt.

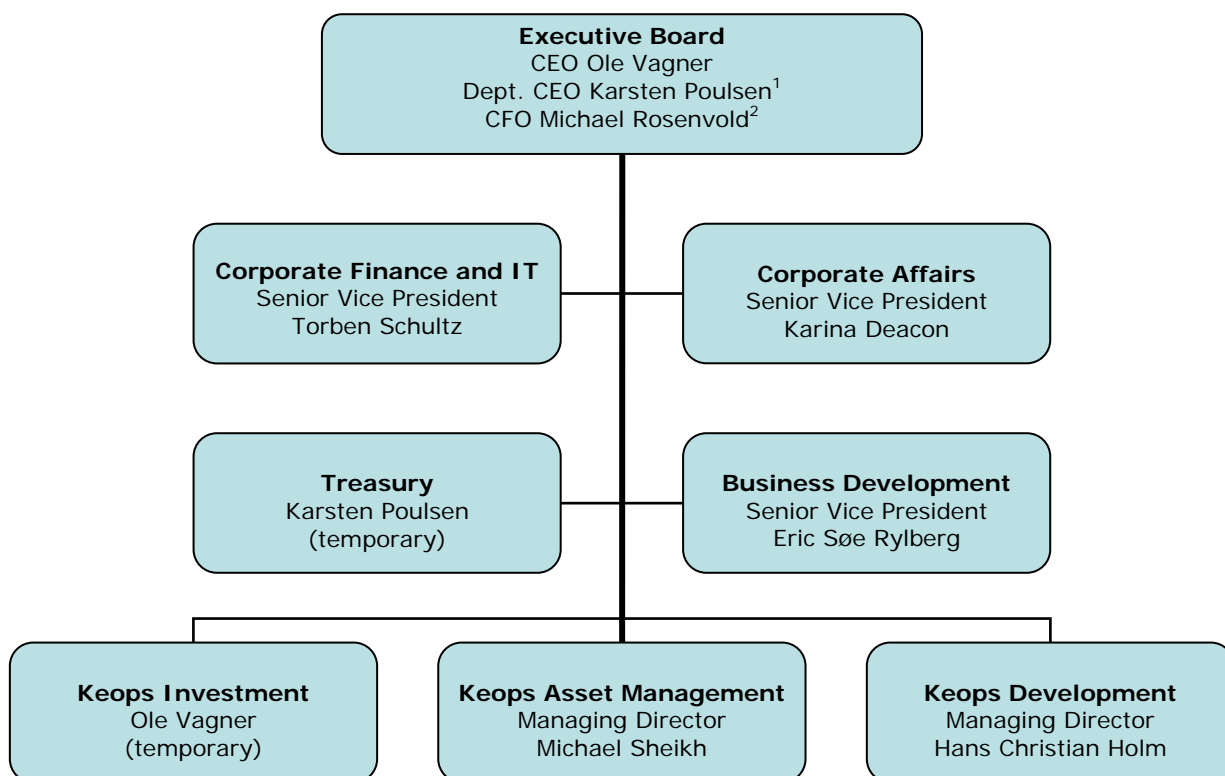
The Executive Board is expanded and strengthened

The Supervisory Board has today decided to expand and strengthen the Executive Board of Keops A/S with effect from 1 March 2007.

Karsten Poulsen is appointed Deputy CEO and deputy for CEO Ole Vagner and will join the Executive Board of Keops A/S. In order to add further resources to the organisation, the Supervisory Board has furthermore employed Michael Rosenvold, who will be included in the Executive Board with title of CFO.

Michael Rosenvold (born 22 June 1967) was most recently employed as CFO in Tempo Services, Australia, which he left in the end of 2006, after ISS earlier in the year had taken over the company. Michael Rosenvold is a MSc (Business Administration and Auditing) graduate from Copenhagen Business School.

After this, the organisation is as follows after Keops' introduction of new uniform English job title structure:



- 1) Director in Keops A/S and as from 1 March 2007 a member of the Executive Board with title of Dept. CEO
- 2) CFO and member of the Executive Board of Keops A/S as from 1 March 2007

Teleconference

Tuesday 16th January 2007 at 4:00 PM (CPH time) Keops will host a teleconference for investors and analysts.

Phone no.: +45 7026 5045
Conference code: 517 2612#

Please address questions relating to this Notice to Head of Communications Susanne Lind  or Head of Corporate Affairs Karina Deacon on tel. +45 3341 0000

Annual report 2005/06



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KEOPS A/S
CENTRAL BUSINESS REGISTRATION NO. 36 85 00 19

ANNUAL REPORT FOR THE PERIOD
1 OCTOBER 2005 - 30 SEPTEMBER 2006
38TH FINANCIAL YEAR

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We create value by investing in and developing properties

Keops is the largest listed property group in Denmark and one of the most important players on the Scandinavian property market.

Keops operates in development of and investment in real property in Northern Europe. On this area, the Group's mission is to be the preferred co-operator for enterprises and investors. Keops also wishes to be a recognised provider of good business opportunities and a group which in itself is an attractive investment for a wide circle of investors.

The Group has developed very positively through the past years, in terms of business volume as well as achieved results, and we look back on the development in 2005/06 with great satisfaction. This became the year in which i.a. we doubled the consolidated profit, performed one of the so far largest property acquisitions in the history of Denmark - the Kungsleden portfolio of DKK 5.4 billion - and in which we mediated Keops' so far largest K/S project - the SAS Radisson hotel in Frankfurt of approx. DKK 970 million.

In very few years, Keops has developed from being a small and relatively unknown company to being the large, well-known property group it is today. At 14 December 2006, we have properties in the Nordic region of a total of approx. DKK 21.7 billion and wish to further optimise and develop this position.

In order to ensure continued positive development, further increase of professionalism and focusing of the Group have been initiated in 2006. I.a. strong managerial competencies have been added, and we are equipping Keops for further growth.

The story of Keops is very much the story of seeking solutions and succeeding in our mission: In the most important tasks every day, in the financial ambitions for the year and in further developing the Group. In line with this, one of Keops' rules is:

"Seek solutions - and do whatever takes you to the solution".

From the beginning, Keops' intention was to create enduring values of a high quality for the Group's investors, employees, shareholders and the society. In Management, we are very determined to keep pursuing this objective from the very strong starting point created by recent years' results.

This is the basis for the consolidation and focusing of Keops, which has been initiated in 2006: With the initiatives to strengthen Corporate Governance, with narrowing of the Group's geographic focus and focusing of product range and organisation, with the completion of a succession process in Keops Development and with consolidation through divestment of certain projects and portfolios.

With this focusing and consolidation, with a unique business model and with a strong tradition for succeeding, Keops has the best conditions for creating value through investment in and development of properties - also in future.

Group Chief Executive Ole Vagner



Group Chief Executive Ole Vagner.



Keops' Supervisory Board from the left:
Skarphedinn B. Steinarsson
Jørgen Basso Larsen (Chairman),
Steen Bryde and Eiríkur S. Jóhannsson.



Keops' Executive Board is constituted
by Group Chief Executive Ole Vagner.

Keops Group

Keops Group invests in and develops properties in and outside Denmark. The Group particularly focuses on:

- Property investments in the Nordic region
- Mediation of investment properties in Northern Europe
- Development activities, primarily in the Nordic region

Milestones

- 1989 InvestorPartner A/S is established
- 1996 Keops Development A/S is established
- 1998 Keops A/S is listed on the stock exchange
- 2003 Keops EjendomsHolding A/S is established
- 2005 The Group is gathered in Keops Huset in Copenhagen
- 2005 Keops acquires Proviso Fondsmæglerselskab A/S
- 2006 Keops acquires 33% of Capinordic A/S and 60% of the shares in M2 A/S

Supervisory Board

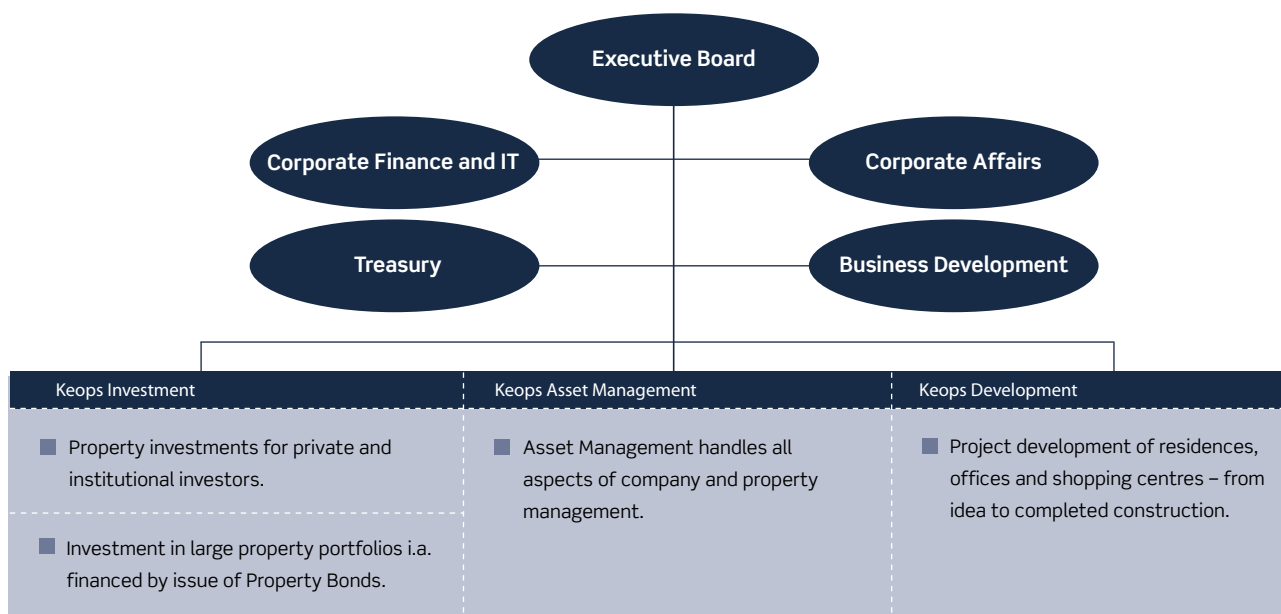
Director Jørgen Basso Larsen (Chairman)
Director Skarphedinn Berg Steinarsson
General Manager Eiríkur S. Jóhannsson
Group Chief Executive Steen Bryde

Executive Board

Group Chief Executive Ole Vagner

Organisation

In June 2006, Keops' subscribed for 33% of the shares in Capinordic A/S, and Keops Proviso Fondsmæglerselskab A/S was sold into this company. Keops Group's organisation can overall be illustrated as follows:



Key figures in DKK million, Keops Group					
	2005/06	2004/05 ¹⁾	2003/04 ¹⁾	2002/03 ²⁾	2001/02 ²⁾
Revenue	2,120.3	1,498.7	808.5	819.7	481.2
Cost of sales	(1,184.9)	(1,067.9)	(658.3)	(658.2)	(327.4)
Value adjustment, investment properties and debt, net	641.2	485.8	30.7	0.0	0.0
Realised profits on sale of investment properties	33.9	0.0	0.0	0.0	0.0
Gross profit	1,610.50	916.6	180.9	161.5	153.8
Selling costs and administrative expenses	(271.8)	(169.9)	(101.3)	(94.7)	(96.3)
Other operating income	11.1	0.0	9.2	0	0
Profit from associates/Joint Ventures	56.1	(68.8)	101.6	(15.6)	(6.8)
Operating profit	1,405.9	677.9	190.4	51.2	50.7
Net financials	(532.9)	(277.0)	(85.1)	(27.9)	(43.4)
Profit before tax	873.0	400.9	105.3	23.3	7.3
Tax on profit for the year	(90.5)	(66.0)	(25.3)	(10.8)	(4.5)
Consolidated profit	782.5	334.9	80.0	12.5	2.8
Shareholders in Keops A/S' share of profit	793.7	262.3	88.0	12.5	2.8
Non-current assets	12,041.6	7,926.1	963.8	20.5	36.7
Current assets	6,170.3	2,845.9	1,422.3	1,242.7	1,257.4
Total assets	18,211.9	10,772.0	2,386.1	1,263.2	1,294.1
Share capital	175.7	156.7	156.3	156.3	156.3
Equity	1,722.6	573.6	274.1	262.0	249.1
Shareholders in Keops A/S' share of equity	1,721.8	526.3	335.5	262.0	249.1
Provisions	-	-	-	29.0	13.7
Long-term liabilities other than provisions	9,997.8	7,385.3	925.3	0.0	0.0
Short-term liabilities other than provisions	6,491.5	2,813.0	1,186.8	972.2	1,031.30
Cash flows from operating activities	2.3	642.5	113.2	16.1	(48.8)
Cash flows from investing activities, net	(5,300.3)	(7,667.8)	24.5	0.8	(8.4)
Cash flows from financing activities	5,910.6	7,245.5	(15.5)	(7.1)	59.7
Total cash flows	612.6	220.2	122.2	9.8	2.5
Ratios					
Return on equity (after tax)	61.8%	79.0%	29.9%	4.9%	1.4%
Adjusted solvency ³⁾	36%	21%	26%	30%	25%
Solvency	10%	5%	12%	20%	19%
Net asset value per share, DKK	9.80	3.66	1.75	1.68	1.59
Earnings per share, DKK	4.77	1.70	0.53	0.08	0.02
Market price at 30 September, DKK	17.80	18.03	4.00	2.82	2.87
Dividend	0	15%	10%	5%	5%
Number of employees at year-end	238	187	130	108	131

¹⁾ Comparative figures for 2003/04 and 2004/05 have been restated to reflect the change in accounting policies for recognition of on account profits on development properties.

²⁾ Not restated in accordance with IFRS.

³⁾ Adjusted solvency is calculated as equity in ratio to balance sheet total less receivables certain to be paid and cash as well as investments with limited liability.



Achieved results

Keops' consolidated profit before tax amounts to DKK 873 million for the financial year 2005/06 compared with DKK 401 million last year. The Supervisory Board considers the financial performance satisfactory and notes that profit for the year has primarily been earned in Keops Asset Management.

Keops Asset Management contributes with profit before tax of DKK 676 million compared with DKK 384 million the year before. The profit is based on a property portfolio consisting of investment properties in the Nordic region. Keops' properties have a total value at 14 December 2006 of approx. DKK 21.7 billion. The properties have more than 2.3 million of let out square metres, of which more than half are offices and the rest are shops, storage and industrial facilities as well as residences.

Profit for Keops Asset Management is affected by a number of special costs. Before special costs, value adjustments and tax the profit is DKK 220 million. Special costs at a total of DKK (185 million) comprises of costs related to sales of properties, financial expenses on early redemption of bonds on sale of portfolios and establishment costs of new portfolios.

Value adjustments amounts DKK 641 million. Valuation of the Group's properties is reviewed under the section about Keops Asset Management.

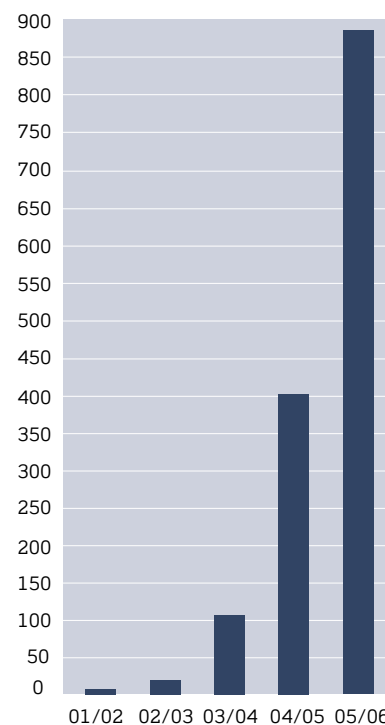
Keops Investment handles the Group's acquisition and mediation of investment properties, and during the financial year, Investment has mediated investment properties of approx. DKK 2,015 million, which is at the level of previous years. Investment contributes to profit for the year before tax by DKK 45 million compared with DKK 10 million last year.

Furthermore, during the financial year, Keops Investment has acquired primarily Swedish property portfolios for the Group's Asset Management of a total of approx. DKK 13.7 billion of which the acquisition of two portfolios of approx. DKK 7.0 billion has been realised after the end of the financial year. In connection with the financing of these acquisitions, listed Property Bonds of a total of approx. DKK 1.6 billion have been issued. Of this, the full subscription of bonds of a total of DKK 740 million has been carried through after the end of the financial year.

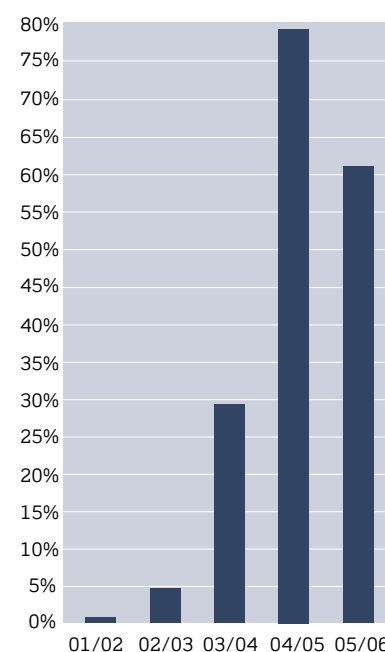
Keops Development is included by approx. negative DKK 41 million to the consolidated profit before tax against DKK 7 million last year. These results appear on completion and sale of shopping, commercial as well as residential projects in Denmark, but the results are influenced by provisions for loss on projects. In addition to this is a loss of DKK 22 million before tax in M2 A/S, of which the Group acquired 60% of the shares in July 2006. The financial performance in M2 is influenced by increased marketing activities. The financial performance is also influenced by the Danish Securities Council's ruling on the introduction of a new method for recognition of income from sold development projects.

The consolidated profit includes one-time income of DKK 183 million from the exchange of all shares in Keops Proviso Fondsmæglersekskab A/S as well as cash contribution in connection with the subscription for 33% of the shares in Capinordic A/S in June 2006.

Profit in DKK million before tax



Return on equity after tax



The consolidated balance sheet has increased by DKK 7.4 billion to DKK 18.2 billion. The increase in the balance sheet is attributable to the Group's extensive investments in primarily Swedish commercial properties. Keops' share of the Group's equity amounts to DKK 1.7 billion by the end of the year. Adjusted solvency ratio has been calculated at 36% compared with 21% the year before.

The activities and results for the year as well as expectations of the future in Keops Investment, Keops Asset Management and Keops Development are further reviewed in these business areas' own sections in the annual report.

Focus areas and strategy

The Executive and Supervisory Boards have, as introduction to the budget for the financial year 2006/07, worked on and updated the Group's strategy. After the balance sheet date, an overall plan for the next steps of the Group's development has been presented and approved. The plan includes six main points:

- Strengthening of Corporate Governance
- Consolidation, i.a. through divestment of certain investments
- Geographic and product focus
- Separation of the development business into an independent unit
- Simplifying and focusing the organisation
- Preparation of a five-year strategy plan

Strengthening of Corporate Governance

Keops wishes to strengthen Corporate Governance in order to comply with the recommendations of the Copenhagen Stock Exchange on good Corporate Governance.

The first step was a segregation of duties, and accordingly, Ole Vagner resigned from the Supervisory Board to focus on his position as Group Chief Executive. Finn Hasselriis resigned from his position as Chairman of the Supervisory Board as his enterprise renders legal services to the Group. Finn Hasselriis is also involved in activities which are closely related to Keops' business. Simultaneously, the Company's internal rules on trading with related parties were tightened.

The next step will be the composition of an independent Supervisory Board. In this connection, Steen Bryde will resign from the Supervisory Board at the next Annual General Meeting, as he is Director in the associate, Capinordic, in which Keops owns 33% of the shares.

Further to this, the following persons will be recommended for election as new members of Keops' Supervisory Board:

- Executive Officer Steen Hundevad Knudsen, AP Møller - Mærsk A/S
- CEO Jesper Møller, Toms Gruppen A/S
- Professor of accounting Thomas Plenborg, Copenhagen Business School

When the new Supervisory Board has constituted itself, it will be recommended, in line with the Company's wish to improve corporate governance, to create an Audit Committee, so that the Supervisory Board will have yet another tool for ensuring that financial reporting, risk management and control environment observes the relevant standards and rules.

Furthermore, the Company wishes to strengthen communication with its stakeholders on the stock market, for which reason an Investor Relations function has been created under Corporate Affairs.

Consolidation

Keops has invested significant amounts in recent years, and equity has increased significantly, i.a. by reason of positive value adjustments of a number of investments in real property. Management wishes to utilise a beneficial development to consolidate and strengthen the enterprise's capital structure, and considerations are being made about the divestment of some of the investments. This will create a platform for growth in selected areas, when the consolidation phase is complete.

In actual terms, firstly, this relates to divestment of a number of residential properties in Sweden and subsequently the office property, Fatburen in Stockholm, which Keops acquired in 2005 at DKK 1,689 million as well as the remaining properties in the Malmstaden portfolio which Keops acquired in 2004 at DKK 2,309 million. These investments are assessed to meet Keops' sales criteria and have relatively large tied equities.

Such realisation will liberate cash and strengthen the capital resources in the Group. This is in line with Management's desire to strengthen the enterprise's capital structure. In this connection, it is expected that Keops will in future grow with a slightly different mix of loan capital and equity capital. Accordingly, the Group will not exclude the possibility of increasing equity through increase in capital, for instance, when a large property investment is made. The Supervisory Board's resolution not to recommend distribution of dividends at the coming Annual General Meeting is a result of this.

Geographic and product focus

Keops has become an important player on the Nordic property market where there are still many opportunities. In line with the desire to consolidate and the desire to simplify the organisation, the Group now focuses on the Nordic and then the Northern European markets. As a consequence of this, Keops will not initiate new development projects outside the Nordic region unless such projects are a natural part of acquiring properties for own portfolio or mediation. The initiated Spanish development project has been sold, while the Turkish project in progress will be completed or sold if a sufficiently attractive price can be achieved.

The market conditions in China have changed since Keops' establishment in the country. This is primarily a consequence of 'Cooling Down', which has meant that a higher share of equity is required in the investments. As a result of this, the office in China will be sold or closed down, which is also in line with the desire to focus geographically.

In terms of products, Keops presently wishes to focus on property investments in the Nordic region (and then Northern Europe), mediation of investment properties in Northern Europe and development activities in the Nordic region.

Development in an independent entity

Keops Development still constitutes a core area for the Group. In order to strengthen this business area, Keops Development will be established as an independent business unit for the purpose of increasing focus and transparency. In line with the above stated idea of focus, simultaneously with the separation,



K/S Messe Kreisel 3, Köln is a centrally located hotel, which Keops mediated in the financial year in a K/S project of approx. DKK 667 million.



The well-being survey for the year shows that Keops' employees generally take great pleasure in their work and show a high degree of loyalty.

Development will increase its focus in terms of products and geography. The Nordic region will in future be the absolute primary market.

Simplifying and focusing of the organisation

Through focusing of the business, separation of Development and divestment of the said investments, Keops will simplify and change the organisation. The purpose is to adapt the organisation to the strategy, which Keops will determine for the growth phase expected to follow from the above described consolidation.

Once Development has been separated and the stated divestments, etc. have been carried through, the Parent, Keops A/S, will be able to create an increasingly focused organisation. Management internally agrees that the organisation would benefit from being simplified and streamlined simultaneously with dedicating resources to the work with a strategy of growth, new investments/markets and making the necessary changes to create the best possible platform for future growth.

In connection with this focus, Keops Development and Keops expect to move to separate addresses during 2007.

Five-year strategy

A five-year strategy is to determine the framework for the growth which is expected to follow from the performance of the above points. The strategy is expected adopted and initiated by Keops' new Supervisory Board during 2007.

Keops' brand

For the Group as a whole and for the business areas in particular, it is important to be known and recognised among present and potential investors and co-operators.

The annual familiarity and image poll shows that the relevant target groups' knowledge of Keops' property investments is still increasing - from approx. 50% in June 2005 to more than 70% in May 2006. Furthermore, the familiarity with Keops Development's activities among residential customers and potential commercial customers is increasing.

During the financial year, considerable efforts were put into ensuring efficient marketing of each product and to ensure that the marketing contributes positively to the Group's overall familiarity and image. As a part of these efforts,

a new and simplified design has been implemented, which gives all Keops' activities a shared visual expression across country borders and product categories.

Also, in the spring of 2006, the Group had a new dual language internet portal which, further to access to all the Group's products, offers comprehensive information about the Group as well as an Investor Relations area. The new portal has approx. 15,000 unique visits every month, which is an increase of approx. 50% compared with the number of visitors on Keops' website last year.

Furthermore, Keops works on meeting the increasing interest in the Group in the media, from professional investors and analysts. This is i.a. attempted through increased professionalism in the current reporting and contact as well as participation in investor meetings, road shows and other presentations.

Employees

Keops continuously needs to attract and retain talented employees. In this connection, Keops' objective is to be the best place each employee has worked. Keops strives to meet this objective through attractive terms of job and employment, freedom with responsibility every day, comprehensive internal communication as well as a number of events for the well-being of the employees.

Keops measures the well-being of the employees on an ongoing basis, through sickness statistics and through actual satisfaction surveys. In the financial year, absence due to sickness was 1.3% against DA's, the Confederation of Danish Employers, average for salaried employees of 2.3%.

The satisfaction survey in the autumn of 2006 was carried out on the basis of the European Employee Index and shows that the employees' job satisfaction is a little higher than the average on all Danish workplaces and in comparable industries. Loyalty among Keops' employees is also high.

Recruitment and introduction

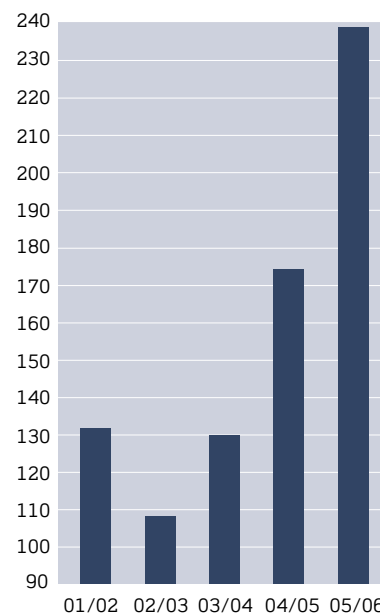
The number of employees in Keops Group by the end of the financial year is 238 compared with 187 the year before, which corresponds to a net addition of 51 employees. All new employees are given a professional and personal mentor, who will ensure fast professional and social integration in Keops. Also, all new employees participate in groups in a comprehensive introduction program which gives thorough introduction to the Group and its history, the business areas, the organisation, values, objectives and action plans.

Employee information

Each business area holds monthly information meetings for the employees, at which results, objectives and significant projects and subjects are presented and debated. Furthermore, all employees are assembled quarterly for a briefing. At this assembly, overall themes, such as financial information, enterprise strategy and action plans, status of the business areas as well as special professional or organisational themes are presented.

In support of internal communication, a new intranet portal was launched which, apart from guidelines and news, also provides access to specific systems for i.a. relations management, sale and company management.

Number of employees at year-end



Executive and Supervisory Boards

In June 2006, Director Jan Mølhave resigned and at the same time resigned from the Executive Board.

At an Extraordinary General Meeting in August, Director André Lublin and Director Jónas Thorvaldsson resigned from Keops' Supervisory Board, and Group Chief Executive Steen Bryde and Director Eiríkur S. Jóhannsson were elected as new Supervisory Board members at the General Meeting. As mentioned on page 8, Ole Vagner and Finn Hasselriis resigned from the Supervisory Board in November 2006.

On 1 December 2006, Mette V. Johannesen resigned from the Executive Board by reason of a long stay abroad.

Director of Keops Development and member of the Executive Board of Keops A/S, Niels K. Thygesen, left the enterprise 14 December 2006 to focus on his own business.

After this, the Executive Board of Keops A/S consists of Group Chief Executive Ole Vagner until 1 March 2007 when Deputy Chief Executive Karsten Poulsen and Group Finance Executive Michael Rosenvold also will be representing the Executive Board.

Outlook

With the previously stated initiatives for focusing, consolidation and simplifying, Keops expects to have created a solid platform for future growth. A simpler Keops will subsequently stand forth as a focused property group and will be well-equipped for growing in a rapid, but well-defined manner within the selected core businesses.

Expectations of profit before tax for 2006/07 constitute a profit of DKK 500-700 million. The expectations of profit include value adjustments of properties and debt of a total of approx. DKK 170 million.

Management's significant estimates and assessments of risks in connection with the expectations of the future appear from the section "Risk factors" as well as the review of significant estimates under the section "Accounting estimates and assessments" in this annual report.





Keops is sponsor of i.a. Sportsrideklubben (a notable Danish riding club) and is thereby active in the Grand Prix in May and the Hubertus Hunt in November.

Investment in properties and mediation of property investments

Keops Investment offers property investments with attractive return and risk profile to private high-salaried and/or wealthy customers as well as professional investors. Furthermore, Keops Investment acquires property portfolios for the Group.

Strategy and focus

Keops is one of the largest property players in Scandinavia with an ambitious objective of acquisition of investment properties for remediation and the continued expansion of the Group's own portfolio.

With a focused acquisition function which counts specialists with thorough market knowledge, Keops Investment wishes to identify the most lucrative sub-markets in northern Europe. Within these markets, Keops Investment will ensure the best possible access to property investments of a high quality as regards location, tenant composition and operating finances.

Keops Investment especially focuses on meeting the demand for property investments of:

- Private individuals with more than DKK 1 million of annual income and equity of more than DKK 3 million
- Wealthy private individuals with investment needs
- Institutional investors

The properties which Keops Investment acquires for the Group's own portfolio are characterised by being large portfolios of investment properties with robust operating finances by virtue of solid tenants and/or large spread into many rental agreements. The criteria for these acquisitions are closely determined in order to obtain maximum security and attractive return at portfolio level.

Based on recent years' historically low interest rate level, it has been possible to issue Property Bonds for partial financing of the Group's comprehensive property investments, primarily in Sweden. Keops Investment focuses on further developing this business model and identifying new markets for further expansion of the Group's property portfolio.

The project as centre

The task of Keops Investment's competence teams for acquisition, transactions and sale is to carry through an efficient process from identification of the investment opportunity to the indicative offer, technical and legal due diligence, financing, operating budgeting and mediation or acquisition of the respective properties. The departments work closely together with the Group's treasury department and also draw on a number of regular, external co-operators.

For each investment project, a person responsible for the project is appointed as well as a suitable number of project participants who will ensure planning and performance of the most appropriate and efficient process. This means that each employee to a higher extent is attached to a number of projects, often with different roles from project to project, than to an actual department.

Value creation

Keops Investment's revenue is made up of fees from the identification, acquisition, financing and mediation of investment properties. As such, a fee is calculated of up to 6% of the asset total for property investments which are remediated to private and institutional investors.

Satisfied investors

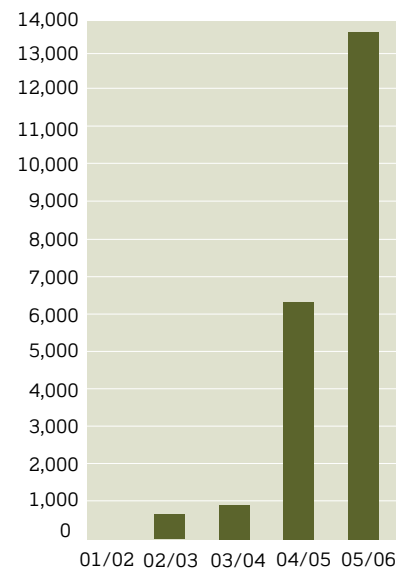
The basis for Keops' mediation activities is satisfied investors. Satisfaction is measured by the current cooperation between investors and employees in the organisation, as well as in the return which Keops' investors achieve from their investments.

In 2005/06, 69% of Keops Investment's mediation of property investments has been made to investors who have already invested with Keops.

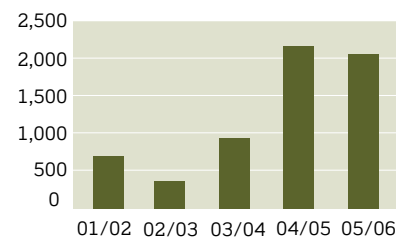
During the years, investors in a number of projects offered by Keops Investment have decided to realise parts of or the full property investment and have thereby achieved considerable cash gains. As such, more than DKK 349 million was paid to investors in the calendar year 2006.

Two issues of Property Bonds were early redeemed in 2005/06, which has provided the bond owners with a high redemption yield.

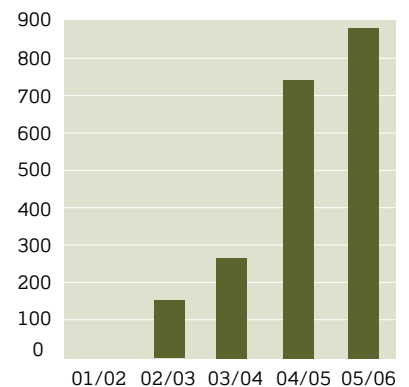
Acquired investment properties, project total DKK million



Mediated investment properties, project total in DKK million



Mediated Property Bonds in DKK million





Nordic Light: In October 2006, Keops acquired 37 Norwegian, Swedish and Finnish commercial properties with the Nordea group as main tenant.

The majority of the offered bonds have been subscribed for by professional investors, of this 78% of investors who have formerly subscribed for Keops Property Bonds. Furthermore, the demand for Keops Property Bonds still exceeds the actual supply. Some media source's comprehensive focus on the product has also contributed to increasing the knowledge of Property Bonds among professional and private wealthy investors from about 15% last year to more than 50% in 2005/06.

Keops is very focused on investors and cooperating partners also in future achieving attractive return on their cooperation with Keops, as good business creates satisfaction and basis for longer lasting cooperative relations.

Mediated investments

During the financial year 2005/06, Keops Investment has mediated property investments to private investors of a total value of approx. DKK 2,015 million, which is less than expected. The reason is that the Group did not as planned remediate the Nordic Light portfolio at a value of approx. DKK 1.6 billion, but instead kept the portfolio in Keops Asset Management. Furthermore, the mediation of a few small investment properties has been completed later than expected.

The mediated asset total corresponds to the level last year of approx. DKK 2,093 million, but each project has become notably larger during the financial year. As such, seven mediation projects contribute to the asset total sold in 2005/06 compared with 20 projects last year.

Acquisition of portfolios for Keops

During the financial year and subsequently, Keops Investment has assisted in the acquisition of property portfolios for Keops Asset Management of a total of DKK 13.7 billion. The four most significant new acquisitions are:

Keops EjendomsObligationer VII (Stockholm) A/S: 11 commercial properties in and around Stockholm acquired at 1 December 2005 at a total of DKK 2.5 billion.

Keops EjendomsObligationer VIII (Sverige II) A/S: 84 Swedish commercial properties located in 57 Swedish municipalities and primarily let out to the Swedish police force, courts and tax authorities. Acquired in February 2006 at approx. DKK 2.4 billion.

Nordic Light: 37 Norwegian, Swedish and Finnish commercial properties centrally located in large cities, where approx. 68% of the rental income is paid by the Nordic banking group, Nordea. Acquired in October 2006 at approx. DKK 1.6 billion.

Keops EjendomsObligationer IX AB: At the end of June 2006, Keops concluded agreement on one of the biggest property transactions in the Nordic region by the acquisition of 172 Swedish commercial properties of approx. DKK 5.4 billion. Acquired in November 2006.

Bond issues

Bonds of DKK 890 million with coupons of respectively 7% and 8% have been issued and listed in the financial year. The redemption yield will be higher in the event of redemption at a premium on expiry of the bonds.

List of issued Property Bonds						
Coupon rate in %	Name	Issue, nominally DKK million	Year to expiry	Redemption yield in % ¹⁾	Price at 14 Dec. 2006	Size of certificates in DKK.
12.0	EjendomsObligationer I (SAS)	70	12.04	6.91	140.74	1,000
11.0	EjendomsObligationer I (SAS)	50	7.04	6.47	125.00	1,000
10.0	EjendomsObligationer I (SAS)	30	2.04	5.73	108.00	1,000
9.0	RO's Torv A/S March 2004	75	Redeemed	17.20 ²⁾	-	1,000
9.0	EjendomsObligationer III (PBA)	140	7.41	6.47	114.50	1,000
8.5	EjendomsObligationer III (PBA)	60	4.41	7.14	105.00	1,000
8.0	EjendomsObligationer IV B (Malmstaden)	75	Redeemed	14.90 ²⁾	-	1,000
9.0	EjendomsObligationer IV B (Malmstaden)	162	Redeemed	17.30 ²⁾	-	1,000
9.0	EjendomsObligationer IV E (Malmstaden)	50	Redeemed	21.30 ²⁾	-	1,000
10.0	EjendomsObligationer IV E (Malmstaden)	108	Redeemed	22.30 ²⁾	-	1,000
7.0	EjendomsObligationer V (Fatburen)	120	8.42	7.67	104.00	1,000
6.0	EjendomsObligationer V (Fatburen)	100	5.42	6.00	100.00	1,000
7.0	EjendomsObligationer VI (Sverige)	263	8.65	8.99	105.00	1,000
7.0	EjendomsObligationer VI (Sverige)	60	5.65	8.01	102.00	1,000
7.0	EjendomsObligationer VII (Stockholm)	410	8.92	9.26	98.00	1,000
7.0	EjendomsObligationer VII (Stockholm)	70	5.92	7.11	99.50	1,000
8.0	EjendomsObligationer VIII (Sverige II)	410	9.25	9.14	102.00	100,000
7.5	EjendomsObligationer IX	740	9.85	9.43	98.25	100,000
	Total excl. early redeemed	2,523				
	Total incl. early redeemed	2,993				

¹⁾ Redemption yield before tax p.a. in relation to the price at 14 December 2006.

²⁾ Redemption yield before tax p.a. provided that the bonds were acquired at a price of 100.

Early redemption of bonds

Five bond series issued by Keops EjendomsObligationer IV (Malmstaden) A/S and K/S RO's Torv were early redeemed in the spring of 2006 at prices which in the investment period have provided yields at the level of 14.9% and 22.3% to the investors.

Results achieved

Keops Investment contributes to profit for the year before tax by DKK 45 million compared with DKK 10 million the year before. This profit is based on mediation of investment properties of DKK 2,015 million.

Key figures in DKK million - Keops Investment					
	2005/06	2004/05	2003/04 ¹⁾	2002/03	2001/02
Revenue	150.4	120.5	273.1	198.0	86.0
Gross profit	60.6	74.6	53.5	35.1	63.5
Profit before tax	45.1	9.6	4.3	(20.6)	15.0
Balance sheet total	271.2	207.5	355.6	209.1	429.2
Number of employees at year-end	28	40 ³⁾	47	41	75 ²⁾

Segment information does not follow the legal structure of the Group.

¹⁾ Revenue for 2003/04 includes sale of properties by DKK 195 million.

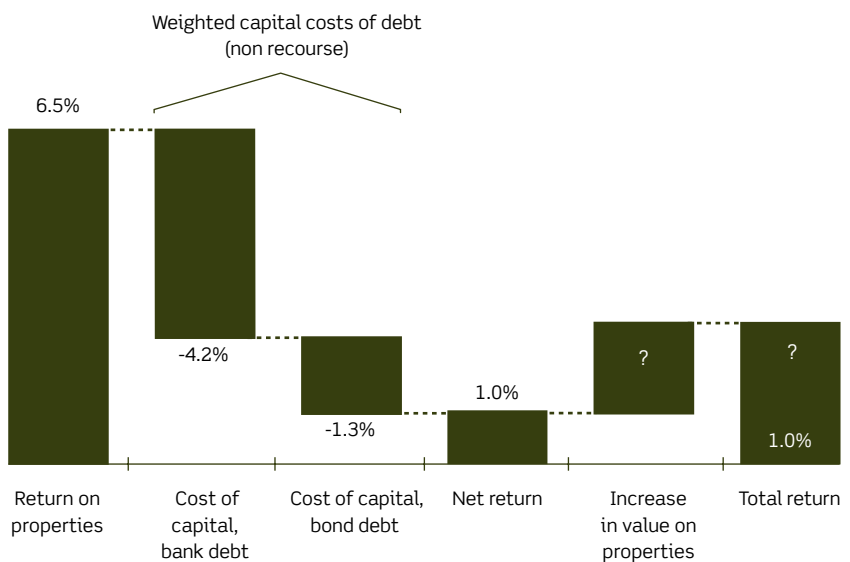
²⁾ Includes employees in the property management, which has subsequently been outsourced.

³⁾ Includes employees in the company management, which has subsequently been transferred to Keops Asset Management.



Invest 2006. Keops participates in and convenes a number of professional conferences and meetings for private as well as professional investors.

Business model for acquisition with bond financing



Net return (on operations) and any increase in value of properties make this business model attractive for Keops and provides security for the bond owners (net return is tied up in the company for the maturity of the bonds)

Outlook

At the end of the calendar year 2006, agreements have been concluded on sale of properties with the purpose of remediation to an extent that supports expectations for total mediated assets for the financial year 2006/07 as a whole.

After year-end, a notable office property, Timotejen, in Stockholm has been acquired for the purpose of remediation to wealthy customers. From October to and including December 2006, a total of five property investments have been marketed at a project total of approx. DKK 1.5 billion.

The largest limiting single factor of increased volume in the mediation of property investments is lack of suitable properties on certain markets, i.a. the Danish market. Keops faces these market conditions with a firm decision not to compromise the quality of the projects to achieve quantitative objectives.

The financing of Keops EjendomsObligationer IX AB has been achieved after year-end through loan in an international bank and issue of Property Bonds of DKK 740 million. These bonds were fully subscribed for, primarily by professional and institutional investors, before the stock exchange listing at the end of October 2006.

With the completion of this record-sized property transaction, Keops Investment has proved that the organisation is capable of completing very considerable transactions and further developing the model for acquisition of property portfolios financed by bonds. On this basis, Keops Investment is still offered interesting property portfolios as possible objects for future acquisition, and the Group is expected to continue investing in considerable property portfolios in 2006/07.

After the balance sheet date, Keops has established the commercial broker enterprise, Keops Real Estate A/S, to meet an increasing demand for mediation activities.



Golf in Barsebäck. Keops' employees strengthen contact with major customers and cooperating partners through a number of sponsorships and activities within sports and culture.



Operation and optimisation of property companies

Keops Asset Management focuses on operation and optimisation of Keops' property portfolio with activities in the Nordic region. At 14 December 2006, the Group's own property portfolio comprises properties of approx. DKK 21.7 billion.

Furthermore, Keops Asset Management handles operation of companies and property portfolios which the Group has mediated to private and institutional investors. At 14 December 2006, these are 122 companies with an asset total of approx. DKK 10.4 billion.

Among key activities in the business area is constant focus on letting out, maintenance and other value-creating improvements, as well as continuous work with current development of the individual portfolio companies.

Valuation of investment properties

Since value adjustments constitute a considerable portion of the Group's total profit for the year, the determination of value of investment properties is reviewed in the following.

The Group's investment properties and debt are measured at fair value. All adjustments resulting from this are taken to the income statement for the relevant year under the item "Value adjustment, investment properties and debt, net".

Measurement of Keops Group's properties and related debt has in 2005/06 resulted in revaluation of a total of DKK 693 million and write-down of a total of DKK 52 million or a total net revaluation of DKK 641 million which is included in the income statement under "Value adjustment, investment properties and debt, net".

The determination of fair value is made by using a Discounted Cash Flow model (DCF model). The main elements of the model are 10-year operating and cash flow budgets for the properties/the property portfolios and a discount factor determined as return requirement plus expected inflation.

The recognised fair value by portfolio appears from the table "Presentation of Keops' property portfolio at 14 December 2006", on page 23.

Operating and cash flow budgets: The 10-year budgets are determined according to a formalised budget procedure. Budgets in the prospectuses, which are prepared on acquisition of the properties, form the basis of the applied budgets.

The budgets are adjusted for significant changes resulting from changed assumptions such as change in inflation, vacancy, energy expenses, etc.

Current business and action plans are prepared for each property, which are to ensure that the prepared and approved budgets are realised.

In terms of income, rental income for the coming 10 years is included in consideration of expected vacancy.



Knutpunkten In April 2006, Keops acquired the high-traffic ferry, bus and train terminal, Knutpunkten, in Helsingborg.



Keops EjendomsObligationer VII

In December 2005, Keops acquired 11 large office properties in and around Stockholm.

In Sweden, the letter to a considerable extent incurs costs of heating and cooling of facilities, and accordingly, the development in such costs is a significant budget parameter. Maintenance costs are budgeted based on a review of each property's need, and planned as well as unforeseen maintenance is budgeted.

Inflation: The budget includes anticipated development in prices, resulting from inflation, as regards rental income as well as operating expenses. The expectations of development in prices are based on large Danish and Scandinavian banks' expectations of future development in inflation rates in the countries in which the properties are located.

Discount factor: The 10-year development in cash flows and terminal value is discounted with a discount factor consisting of the determined return requirement added the anticipated development in inflation rate.

Return requirements: The return requirement is determined property by property or for portfolios of properties with identical characteristics. The determination is made based on assessments from independent broker and valuation firms in the countries in which the properties are located. External assessment is made once each year. In 2005/06, the return requirements have been determined on the basis of assessments from Sadolin & Albæk, CBRE, Newsec and DTZ.

The return requirement is determined partly based on the development in market conditions for the relevant types of properties partly on experience with realised sale and partly on changes in each property's conditions.

Return requirements are calculated in a spread which typically varies between 0.25% points and 0.75% points. For the first year's recognition, the return rate at which the property has been acquired is applied for as long as it is within the stated spread. From the second year, the value adjustment is made by use of a return requirement which is determined within the spread.

The return requirement applied for the calculation of fair value for each portfolio has been shown in the table "Ratios for bond companies", page 25.

Presentation of Keops' property portfolio at 14 December 2006								
Name	Number	Square metres	Of this				Property values DKK million ²⁾	Use and location
			Residential	Shops	Offices	Other ¹⁾		
SAS (ownership 49%)	6	87,500	0	202	75,509	11,789	560	SAS' corporate domiciles and offices, Copenhagen
PBA	37	177,420	145,485	10,645	10,645	10,645	1,292	Residential, Malmö, Karlskrona and Kalmar
Fatburen	1	47,563	0	0	44,709	2,854	2,029	High-profile office property, Stockholm
Sverige	44	309,908	0	102,890	201,440	5,578	2,171	Offices in Vesterås, Södertälje and seven cities along the east coast of Sweden
Stockholm	11	155,000	0	20,150	77,500	57,350	2,411	Research, teaching and offices, Stockholm
Sverige II	84	365,474	0	0	336,236	29,238	2,328	Commercial properties in 57 Swedish municipalities
Sverige III (acquisition costs)							8	Offices, storage and industry, south and west Sweden
Bond companies	183	1,142,865	145,485	133,887	746,039	117,454	10,799	
Malmstaden	46	348,770	131,581	20,380	77,289	119,520	1,788	39 offices and seven residential properties, Linköping and Norrköping
Keoweda	5	37,380	0	11,046	8,038	18,295	171	Commercial
Flen/Gnesta	6	28,071	7,096	7,328	6,572	7,075	190	Shops, residential and offices
Terminalen/Knutpunkten	1	19,669	0	1,185	15,337	3,147	379	Ferry terminal, Helsingborg
Borgs	25	51,651	39,066	4,789	1,903	5,893	285	Residential, Norrköping
Borlänge	3	9,645	0	7,620	2,020	5	97	Commercial, Borlänge
Rödeby	1	475	470	0	0	5	8	Six flats for the disabled, Rödeby
Alekärrsgatan	1	4,810	0	3,960	610	240	43	Commercial, Göteborg
Raakan Karlskoga	1	9,770	9,770	0	0	0	60	Residential, Karlskoga
Denmark	16	102,848	4,538	21,180	52,979	24,152	885	Commercial, Denmark
Other companies	105	613,090	192,521	77,488	164,748	178,333	3,906	
Bond comp. and other comp.	288	1,755,955	338,006	211,375	910,787	295,787	14,705	
Properties acquired after the end of the financial year:								
Sverige III	172	892,840	25,360	100,230	398,498	368,752	5,435	Offices, storage and industry, south and west Sweden
Nordic Light	37	151,526	3,095	7,657	135,802	4,972	1,578	Office properties in Norway, Sweden and Finland
Total acquisitions	209	1,044,366	28,455	107,887	534,300	373,724	7,013	
Total at 14 December 2006	497	2,800,321	366,461	319,262	1,445,087	669,511	21,718	
Properties put up for sale in the financial year								
PBA	37	177,420	145,485	10,645	10,645	10,645	1,292	Residential, Malmö, Karlskrona and Kalmar
Malmstaden	6	116,057	111,421	95	492	4,049	779	Residential
Borgs	25	51,651	39,066	4,789	1,903	5,893	285	Residential, Norrköping
Alekärrsgatan	1	4,810	0	3,960	610	240	43	Commercial, Göteborg
Raakan Karlskoga	1	9,770	9,770	0	0	0	60	Residential, Karlskoga
Denmark	14	88,299	4,538	21,180	46,010	16,571	737	Commercial, Denmark
Total for sale	84	448,007	310,280	40,669	59,660	37,398	3,196	
Total at 14 December 2006 excl. properties put up for sale in the financial year	413	2,352,314	56,181	278,593	1,385,427	632,113	18,522	

¹⁾ I.a. includes hospital, research facilities and storage facilities

²⁾ Carrying amount at 30 September 2006. The portfolios Sverige III and Nordic Light were acquired subsequently, and the stated values are acquisition values. SAS is included in the financial statements as an associate.

Key figures for 2005/06 (in DKK '000)							
Name	Operating income	Operat. costs and adm. exp.	NOI (net income)	Financial expenses, net	NOI after interest	Value adjustments	Profit before tax
PBA	116,633	90,957	25,676	45,789	(20,113)	250,832	230,719
Fatburen	126,781	25,249	101,532	83,258	18,274	329,431	347,705
Sverige	214,731	82,619	132,112	99,417	32,695	105,509	138,204
Stockholm	164,399	44,208	120,191	104,781	15,410	91,501	106,911
Sverige II	159,423	51,895	107,528	105,271	2,257	26,629	28,886
Sverige III	-	25	(25)	1	(26)	-	(26)
Bond companies, total	781,967	294,953	487,014	438,517	48,497	803,902	852,399
Malmstaden	292,086	127,551	164,535	153,345	11,190	(184,789)	(173,599)
Keoweda	53,416	19,233	34,183	8,324	25,859	24,848	50,707
Flen/Gnesta	12,734	5,918	6,816	4,142	2,674	(20,850)	(18,176)
Terminalen/Knutpunkten	15,678	6,411	9,267	5,199	4,068	(4,237)	(169)
Borgs	40,382	27,154	13,228	9,006	4,222	49,357	53,579
Borlänge	3,180	781	2,399	1,534	865	713	1,578
Nordic Light	-	-	-	-	-	(6,541)	(6,541)
Other	-	-	-	-	-	(21,204)	(21,204)
Other companies, total	417,476	187,048	230,428	181,550	48,878	(162,703)	(113,825)
Total	1,199,443	482,001	717,442	620,067	97,375	641,199	738,574

Organisation

In 2005/06, the organisation in Keops Asset Management has been strengthened and structured in relation to the following areas:

- Portfolio Management
- Keops Asset Management Sweden
- Area Management
- Competency centre

Portfolio Management's task is to manage companies for Keops' customers and investors. In all investment projects offered by Keops Investment, the investors are offered an agreement on management of the company as well as current supervision and advice on the investment. By the management agreement, Keops assumes to render advice to the company's owners on the optimum planning of the company's financial affairs, to plan the company's cash flow development, to control the company managers' accounting, to carry out budget control and to prepare annual report for the company as well as tax statements for the investors.

Keops Asset Management Sweden is Keops' own company for operation and management of the Swedish property portfolios of which a number are placed in bond companies. The company focuses on the current operation and optimisation of each property and has independent management and financial management. Each portfolio company is managed by an Asset Manager, who is directly responsible for the results of the portfolio. These Asset Managers are included in a professional team that refers to Management of the Swedish Asset Management company. This is a part of a deliberate strategy by which all businesses are to be managed in the local market to ensure constant presence and market knowledge.

Area Management is a support function for the national companies operating Keops' property portfolios. This department is the subsidiaries' link to Keops Denmark, and Area Management is to ensure short communications paths and close



Keops Ejendomsobligationer VIII

In February 2006, Keops acquired 84 Swedish commercial properties located in 57 Swedish municipalities and primarily let out to the Swedish police force, courts and tax authorities.

cooperation between the individual companies. The decision-making competencies relating to the investment portfolios, however, have been placed with local Executive and Supervisory Boards.

The **Competence Centre** is a department assisting the other departments in a number of staff functions, including process management, tax advisory, letting out/sale as well as development of the properties.

Furthermore, a secretariat has been established, the duty of which is to assist the other four departments.

Results achieved

Profit for Keops Asset Management is affected by a number of special costs. Before special costs, value adjustments and tax the profit is DKK 220 million. Special costs at a total of DKK (185 million) comprises of costs related to sales of properties, financial expenses on early redemption of bonds on sale of portfolios and establishment costs of new portfolios. Value adjustments amounts DKK 641 million.

Expectations of the future

After the end of the financial year, 172 Swedish properties, Keops Ejendoms-Obligationer IX AB, and 37 Nordic commercial properties, Nordic Light, have been acquired.

Keops Asset Management is still expected to contribute the majority of the consolidated profit before tax in 2006/07, and of this, approx. DKK 170 million is expected to be attributable to value adjustments of properties and debt.



Keops Ejendomsobligationer IX

At the end of June 2006, Keops concluded agreement on one of the biggest property transactions in the Nordic region, i.e. the acquisition of 172 Swedish commercial properties at DKK 5.4 billion.

Ratios for bond companies							
Name	Return on equity, % ¹⁾		Vacancy 9/30/2006	Applied return % ²⁾		Return, excl. value adj. 9/30/2006	Debt in % of assets ³⁾ 9/30/2006
	2005/06			9/30/2006			
SAS	12.1%		0.0%		Avr. 6.11%	7.5%	77.8%
PBA	74.1%		3.4%		5.24%	3.8%	69.4%
Fatburen	54.2%		0.5%		5.00%	6.4%	81.1%
Sverige	30.8%		8.1%		6.25%	6.4%	94.1%
Stockholm	22.8%		4.8%		6.00%	5.5%	97.7%
Sverige II	(5.6%)		10.6%		6.60%	5.1%	99.6%

¹⁾ Return on equity excl. value adjustments in ratio to carrying amount.

²⁾ The return requirement applied as discount factor.

³⁾ Short-term and long-term debt in percent of assets.

Key figures in DKK million - Asset Management				
	2005/06	2004/05	2003/04	2002/03
Revenue	1,157.3	472.0	113.8	41.4
Gross profit	1,375.6	750.3	79.3	25.0
Profit before tax	675.7	384.4	36.9	34.7
Balance sheet total	14,368.4	8,429.7	1,040.1	32.6
Number of employees at year-end	46	39 ¹⁾	18	0

Segment information does not follow the legal structures of the Group.

¹⁾ Includes employees in company management who have been transferred from Keops Investment.

Keops Development



From idea to completed construction

Keops Development operates in development of corporate domicile construction and centre constructions as well as residential projects in and outside Denmark. Focus is on project management from idea to completed construction. The construction activities are outsourced through contracts to external co-operators, while the contract management is handled by Keops' project managers.

Contract projects

On contract, Keops Development is proceeding with the expansion of RO's Torv by further approx. 13,000 square metres, and the centre is expected to be fully developed and handed over to the acquirer as planned by the end of 2009.

Keops Development has, in cooperation with the global pension and insurance group, AIG, completed the development on contract of Galleri K at the main shopping street, Strøget, in Copenhagen. Galleri K is owned by AIG. The project is ready for sale, for which reason a portion of Keops' expected profit in 2005/06 in the order of DKK 148 million contributes as income from the construction contract to Keops Development's profit for 2005/06.

Commercial projects

Keops Development's projects are initiated when a considerable degree of security has been obtained of the concrete development project in the form of binding agreements on sale or letting out of 60-75% of the project.

With a project period of two to three years, Keops Development has initiated the development of a former cinema, the so-called Vesterport, centrally located in Odense, to a combined shop and commercial property with a total of 19,000 square metres.

In the financial year 2005/06, Keops Development has also been engaged in project development, letting out and sale of several office and commercial properties. In the Hillerød Port project, rental agreements have been entered into with two banks, while negotiations about the remaining areas are expected completed in the first half of 2007.

First stage of a new town hall in Holbæk Harbour is expected initiated in 2007.

In the spring of 2006, Keops acquired 12 properties, which Keops assessed to have certain development potential, from Essex Invest A/S at a total price of DKK 632 million. Keops Development has subsequently handled and completed most of the development of the properties. The properties has been adapted by Keops Asset Management.

Residential projects

The activities within project sale of residences in the Greater Copenhagen Area have decreased since the spring of 2006, which also affected Keops Development's activity level in this area. In return, the sale of holiday residences has been satisfactory. A total of 135 holiday residences have been sold in southern Europe in 2005/06 compared with 50 last year.

Keops Development's sale of holiday residences in Turkey took off nicely in the beginning of 2006, but since the summer, Danish customers' interest in Turkish



Galleri K Keops has completed development and letting out of the fashionable shopping area centrally in Copenhagen, the so-called Galleri K, owned by AIG.



M2, which bases its business on an entirely new concept for architected standard houses, has now obtained a place as the third best known standard house firm in Denmark after considerable marketing efforts in 2006.

Projects sold in 2005/06		
	Description	Selling price (DKK million)
Skovlytoften, Holte	Office, 12,194 sqm.	139
Lergravsvej, Copenhagen	Office, 3,526 sqm.	31
Mølleedammen, 1 st stage, Kokkedal	13 residences	26
Frederiksholm, Copenhagen	44 residences	149
Gl. Køge Landevej 78, Valby	Commercial, 9,851 sqm.	69
Jenriksbakke, Frederikssund	28 residences	52
Fjordstokkene, Holbæk	10 residences	22
Dokhuset, Holbæk	29 residences	55
Vejerhuset, Holbæk	39 residences	73
Silkeborg Torvecenter	16 residences	30
Other projects, net		3
		649

residences has been considerably reduced. On this basis, Keops has decided only to construct and hand over the 86 already sold residences in Turkey. Further investments in sites and project development of Turkish holiday residences have been put on hold.

In July 2006, Keops acquired 60% of the shares in the Danish standard house enterprise, M2 A/S. M2's sale of houses has subsequently dropped as the Danish residential market in general.

After the balance sheet date, further considerable resources have been invested in marketing M2, which according to a new market survey is the third best known construction form in Denmark with 41% knowledge in the target group. Also, the sale of sites and houses proceeds as planned, however, viewed in light of the general slow-down on the private residential market.

Project portfolio

By the entry to the financial year, the Group owned 21 properties and development projects. Of this, 10 properties have been transferred to acquirers during the year, of this, seven residential projects. Addition of 17 projects was seen in the financial year 2005/06. By the end of the financial year, the Group owns 28 properties and development projects at a carrying amount of DKK 721 million. Furthermore, Keops Development is developing a number of investment properties under Asset Management.

Keops' project in Spain has been sold after the balance sheet date.

Results achieved

Keops Development is included by approx. negative DKK 41 million of the total consolidated profit before tax against DKK 7 million last year. The profit is influenced by provision for loss on projects. In addition to this is a loss before tax of

Key figures in DKK - Keops Development					
	2005/06	2004/05	2003/04	2002/03	2001/02
Revenue	775.2	906.1	421.7	580.3	395.2
Gross profit	137.0	91.7	48.2	101.4	90.3
Profit before tax	(40.9)	6.9	64.1	9.2	(7.7)
Balance sheet total	1,996.8	2,134.9	989.6	1,021.6	864.9
Number of employees at year-end	94	53	65	67	56

Segment information does not follow the legal structure of the Group.



Holbæk. Keops' project development of residences and commercial construction in Holbæk Harbour still proceeds. In the financial year, 78 completed owner-occupied flats have been handed over to the buyers.

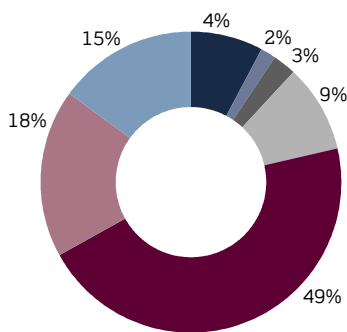
DKK 22 million in M2. The financial performance in M2 is influenced by increased marketing activities. The financial performance is also influenced by the Danish Securities Council's ruling on the introduction of a new method for recognition of income for sold development project.

The initiated succession process in Keops Development was carried through on 14 December 2006, from when Managing Director Hans Christian Holm and CFO Kristian Tuft represent the Executive Board of Keops Development A/S.

Outlook

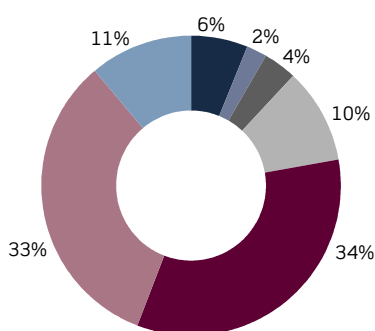
In 2006/07, Development's activities will primarily be focused on ongoing projects in Denmark. Development is also expected to benefit from being able to initiate activities in Keops' own portfolios.

Keops' properties, geographic allocation of square metres



- Denmark
- Finland
- Norway
- Sweden south
- Sweden centre
- Stockholm
- Sweden north

Geographic allocation of Keops' properties' value



- Denmark
- Finland
- Norway
- Sweden south
- Sweden centre
- Stockholm
- Sweden north

Risk management

Keops' risk profile is to be viewed in connection with the Group's financial situation and business volume.

It is Keops' policy that the risks following from the Group's activities to the extent possible are hedged or limited to a reasonable level.

In the following, a number of circumstances on risk and risk management, which Keops' Management find may have a negative influence on the Group's future growth, activities, financial position and results are described. However, the review, which is not in prioritised order, is not to be considered complete.

It is therefore assumed that the interested investor before investing in Keops will exercise his or her own estimate on the basis of all existing information, including the full annual report. Furthermore, Management encourages Keops' investors to consult their own advisors, including attorney and/or auditor.

The Group's future growth, activities, financial position and results are affected by the Group's continued possibility to finance and acquire property portfolios and develop structured financing.

Furthermore, results will be affected by the number of development projects being sold and handed over to acquirers as well as by the number of mediated K/S and wealth projects and the operation of investment properties.

Risks in Keops Asset Management

Especially two factors may influence rental income: vacancy in the property portfolio and the development in rental income level. The properties' vacancy appears from the table "Key figures for bond companies", page 25. Below, the property portfolio's rent mix has been presented.

Top 10 tenants in Keops' properties	
	% of rental income
Polismyndigheten	5.66
Teliasonera AB	5.44
Nordea Bank	5.11
Skatteverket	4.53
SAS Airlines	4.47
Stockholms Läns Landsting	2.66
Sony Ericsson AB	2.42
Domstolsverket	1.12
Apoteket AB	1.11
SKF Sverige AB	0.90
Total	33.42

At 14 December 2006, including the new Sverige III portfolio, but excluding 68 residential properties put up for sale.

Interest risk

Changes in interest rate level will affect the financial performance, as the Group's development and investment properties are primarily financed by borrowing and or by loan capital. On acquisition of investment properties, significant interest risks on the Group's bank financing, which is typically between five and

ten years, are hedged by entering into interest caps and/or interest swaps with terms of up to five years.

For investment properties, there will be financing and interest risks in connection with entering into refinancing agreement when the original bank financing expires.

In addition to this is potential derived effect of a change in interest rate's effect on return rates and thereby the value adjustment of the property portfolios.

The sensitivity towards an increase in interest rates in connection with adjustment of interest rates has been described below. As it appears, interest rates may increase considerably without jeopardising each portfolio's ability to meet its financial commitments.

Keops' properties, senior loan and sensitivity at 14 December 2006				
Name	Interest cap	Term	Sensitivity ¹⁾	Refinancing - % of original senior loan
SAS	5.70% ²⁾	82 months	10.90%	80
PBA	5.37%	15 months	7.50%	80
Fatburen	3.38%	42 months	6.10%	80
Sverige	2.61%	46 months	5.94%	80
Stockholm	3.00%	50 months	4.79%	80
Sverige II	3.30%	52 months	5.50%	80
Sverige III	3.75%	59 months	4.16%	80

¹⁾ 3 months' STIBOR may be at this level for the full term of the bonds without the companies for this reason having trouble paying yield and debt.

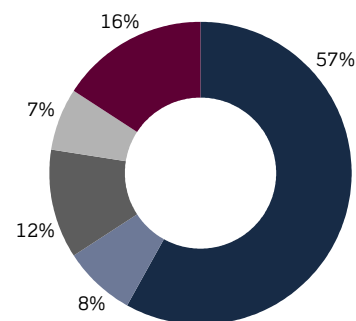
²⁾ Fixed rate for the entire period

Currency exposure

The main part of the Group's investment properties is located in Sweden. As the primary part of the properties' financing has been raised in SEK, a possible change in the exchange rate of SEK, however, will not to its full extent affect the Group's results and financial position. As all of the Group's bond loans have been taken out in DKK, there will be a currency exposure towards SEK for these loans.

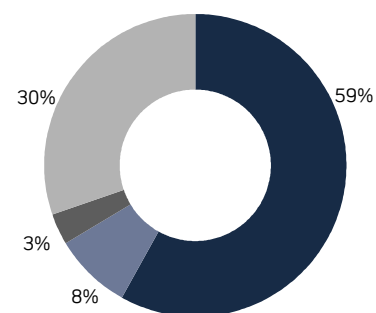


Keops' properties, rental income by type of area



- Offices
- Shops
- Residential
- Industrial
- Other

Keops' properties, use of area



- Offices
- Shops
- Residential
- Industry

In December 2005, Keops acquired further 11 large office properties in and around Stockholm.



Molehusene and Ankerhusene are Keops' most recently marketed residential projects on Holbæk Harbour.

Apart from this, the Group only has a limited amount of receivables and liabilities in foreign currencies. As a result, no hedging of the Group's net currency positions is performed.

Risks in Keops Development

Being a project development company in which the core competence is generation of ideas and management of the project development, Keops Development limits its efforts on the technical side to projecting and construction management.

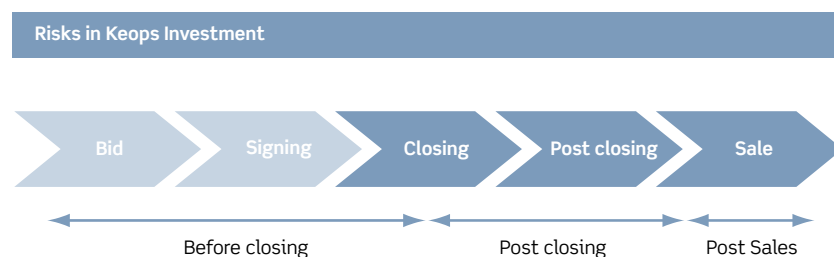
As such, Keops is not involved in direct enterprise risks, as work is performed in specialist subcontracts, main contract or turnkey contract with normal guarantee hedge of the contract risks. However, a management risk exists which matters on large work carried out in specialist subcontracts. Keops attempts to limit this risk by ensuring competent and experienced managers within this business area. Furthermore, the development of the projects is carried out in close dialogue with recognised advisors.

It is Keops Development's ambition to minimise the term of project properties which comprises acquisition, development and sale so that this period will not exceed three years. Projects with longer time horizon than three years are only invested in if they present positive cash flows in the project period.

As a part of the risk policy, it is a general policy that significant work is not initiated until satisfactory and binding sale or rental agreements have been concluded with new owners or tenants.

Risks on investment properties

In order to be able to assess the risk related to acquisition of large property portfolios, it is important to look at three primary phases in these projects; before closing, post closing and post sales.



Before closing starts when Keops makes an offer for a property. If the offer is accepted, a conditional agreement on the acquisition is concluded. Simultaneously with concluding the conditional agreement, an option for full or partial fixing of the interest rate is taken out. From the time of entering into the conditional agreement until the acquisition is final, Keops may withdraw from the offer. If Keops withdraws from the acquisition, it may in certain instances lead to payment to the seller of the property, and the value of interest options may be reduced. In both cases, the 'worst case' scenario is known on entering into the agreement and accordingly does not constitute a prospective uncertainty.

Post closing is the operating period of the project, and Keops' risk is generally limited to the contributed equity, as the projects are isolated in separate subsidiaries. In certain situations, Keops supports the projects beyond the legal liability, as appears from note 21 page 70.

Post sales is the last phase of a portfolio project and relates to the period after a sale. In this phase, there may be a risk of losses for Keops, if the project is sold with a guarantee of the future rent level. This, however, rarely occurs as the investment properties are typically traded on the basis of actual rental terms.

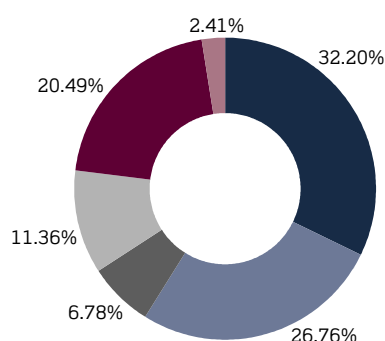
Risks on mediation of property investments

Keops Investment assumes the responsibility for the offered investment properties to private and/or institutional investors and the related subscription prospectuses. Being a member of DEB, Danske Ejendomsudbyderes Forening (trade association of Danish property providers), Keops observes this association's requirements of i.a. degree of detail and quality of the prospectuses.

Before a project is marketed by Keops Investment, a comprehensive verification and due diligence is carried out, which is supported by examinations carried out by external co-operators such as consulting engineers, state authorised public accountants, attorneys and real property brokers/valuators.

In addition to the professional indemnity insurance which Keops has taken out to insure investors in the event of errors and misstatements, Keops' external advisors have also taken out such insurance.

Shareholders december 2006



- Vagner Holding ApS
- Baugur Group hf.
- Investeringselskabet Af 11.12.1990 ApS
- Other shareholders registered by name
- Shareholders not registered by name
- Treasury shares

Shareholders, capital and votes

At the balance sheet date, the Company's share capital constituted DKK 175,710,937 consisting of 175,710,937 shares of DKK 1 at 30 September 2006. Each share holds one vote. The share capital is fully paid in.

Composition of shareholders at 14 December 2006			
	Number of shares	Capital %	Votes %
Vagner Holding ApS	56,587,312	32.20%	32.20%
Baugur Group hf.	47,017,110	26.76%	26.76%
Investeringselskabet Af 11.12.1990 ApS	11,913,815	6.78%	6.78%
Other shareholders registered by name	19,954,344	11.36%	11.36%
Shareholders not registered by name	36,010,840	20.49%	20.49%
Treasury shares	4,227,516	2.41%	2.41%
Total	175,710,937	100.00%	100.00%

During the financial year, several capital increases were made in the Company. These capital increases appear from the below table.

Share capital in Keops in DKK '000			
Date	Change in DKK	Reason	Total share capital
Share capital at 30/09/2005			156,724
17 November 2005	600	Exercise of options	157,324
27 January 2006	15,730	Direct placing	173,054
9 March 2006	2,000	Exercise of options	175,054
5 May 2006	582	Exercise of options	175,636
12 June 2006	75	Exercise of options	175,711
Share capital at 30/09/2006			175,711

Dividends

Generally, it is Keops' dividend policy that the shareholders achieve a cash return on their investments in addition to increase in the share price. However, distribution of dividends is made in due consideration of the necessary consolidation of the Group as a basis for continued expansion.

For the purpose of further consolidation, as described on pages 8-9, the Supervisory Board recommends the Annual General Meeting not to distribute dividends for the financial year 2005/06.

Share and dividend ratios					
	2005/06	2004/05	2003/04	2002/03	2001/02
Share capital at year-end, DKK '000	175,711	156,724	156,324	156,324	156,324
Earnings per share, DKK	4.77	1.70	0.53	0.08	0.02
Net asset value at year-end per share, DKK	9.80	3.66	1.75	1.68	1.59
Share price at year-end per share, DKK	17.80	18.03	4.00	2.82	2.87
Dividend	0%	15%	10%	5%	5%

Policy for treasury shares

At the Company's Annual General Meeting on 20 January 2006, it was adopted that until 25 August 2007, Keops may buy up to 10% of its own shares. Treasury shares are contemplated acquired i.a. for the purpose of being used in a future incentive scheme for the Group's Executive Board, managing employees and other employees.

In the period until 30 September 2006, the following transactions with treasury shares were made:

Holding at the beginning of the year	nominally	DKK 2,337,876
Acquired in June 2006	nominally	DKK 351,140
Acquired in July 2006	nominally	DKK 1,000,000
Acquired in August 2006	nominally	DKK 538,500
Holding at year-end	nominally	DKK 4,227,516

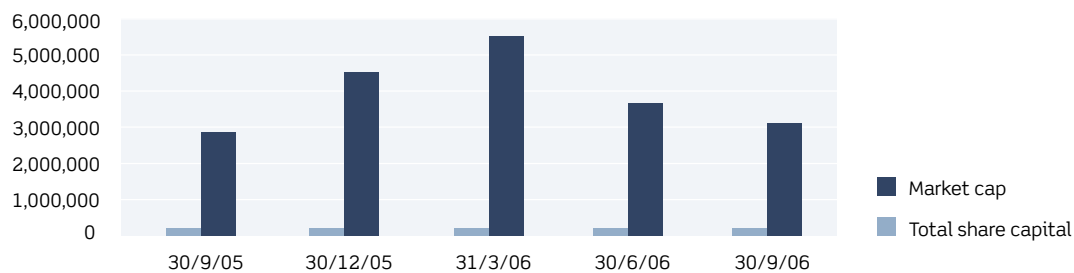
Continued increasing trade in the Keops share

In 2005/06, Keops saw increasing interest in the Company's shares, i.a. as a result of SEB Enskilda and Nordea initiating analysis coverage of the Keops share.

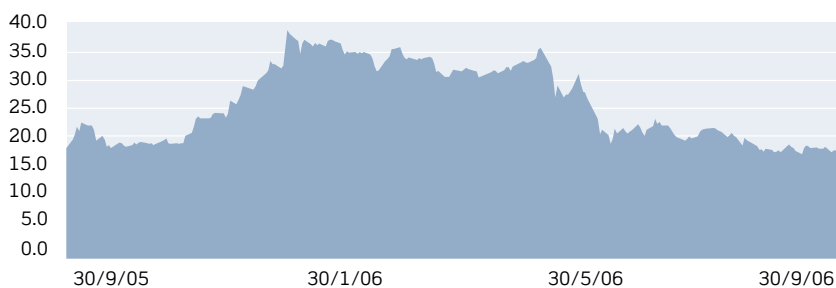
At the Copenhagen Stock Exchange, in the financial year, nominally DKK 167.5 million Keops shares have been traded against nominally DKK 107 million in the preceding financial period.

The total market cap and share capital for Keops has developed as follows.

Keops' market cap and share capital in DKK '000



Development in the price of the Keops share 30/9 2005 - 30/9 2006



Significant notices to the Stock Exchange in the financial year 2005/06 and until 14 December 2006 (recent first)

No.	Date	Subject
275	14/12/2006	Correction of Notice to the Stock Exchange no. 274
274	14/12/2006	Preliminary announcement of financial statements, Keops doubles profit for the year
273	10/12/2006	Keops postpones the deadline for sale of Swedish property portfolio
272	30/11/2006	Increased focus on Corporate Governance - Finn Hasselriis and Ole Vagner resign from the Supervisory Board
271	21/11/2006	Conditional agreement on sale of properties
270	14/11/2006	Corrective and supplementary information to annual report for 2004/05
269	13/11/2006	Elaboration of scheme for share options
268	9/11/2006	10-year budget for Keops' property portfolios and issue of share options
267	6/11/2006	Eric Rylberg and Karsten Poulsen are Directors in Keops
266	2/11/2006	Keops has taken note of the Danish Securities Council's ruling
264	6/10/2006	The financing structure of Keops' record acquisition is in place
263	12/9/2006	Budget for 2006/07
262	8/9/2006	Minutes of Extraordinary General Meeting on 8 September 2006
261	7/9/2006	Keops' largest property deal is final
259	9/8/2006	Q3 News from Keops
258	4/8/2006	Subscription for shares in Capinordic A/S is complete
257	4/7/2006	Keops completes acquisition of shares in M2
256	3/7/2006	Treasury shares (section 28)
255	28/6/2006	Acquisition of properties at DKK 5.4 billion
254	26/6/2006	Acquisition of properties in the Nordic region at a total of DKK 1.5 billion
253	12/6/2006	Exercise of options
252	12/6/2006	Confirmation of negotiations with Kungsleden AB
251	8/6/2006	Sale of properties in Sweden at a total of DKK 805 million
249	5/6/2006	Keops acquires 65% of M2 and upwards adjusts expectations
247	30/5/2006	Interim report for 1 st interim 2005/06
245	5/5/2006	Notice relating to exercise of options
244	5/5/2006	Notice relating to P/S BornholmInvest
243	1/5/2006	Keops subscribes for shares in Capinordic A/S and increases profit expectations
242	5/4/2006	Keops establishes office in China
241	24/3/2006	Keops acquires Ejendomsselskaberne Hedegårdene
240	23/3/2006	Notice from Baugur Group hf
239	23/3/2006	Ratios for investment properties
238	9/3/2006	Exercise of options
235	27/1/2006	Capital increase in Keops A/S
233	23/1/2006	Direct placing
232	20/1/2006	Course of Annual General Meeting
229	4/1/2006	Keops acquires Swedish properties at SEK 2.7 billion
228	15/12/2005	Preliminary announcement of financial statements for 2004/05: Keops quadruples consolidated profit
227	2/12/2005	RO's Torv is sold to Essex Invest A/S
226	29/11/2005	Main shareholder acquires shareholdings in Nordicom A/S
225	17/11/2005	Change in point 4.1. of the Company's Articles of Association about the Company's capital
224	17/11/2005	Exercise of options and increase of share capital by nominally DKK 600,000
222	28/10/2005	Keops Group streamlines the organisation
221	7/10/2005	Keops acquires Swedish properties at DKK 2.5 billion

Please refer to www.keops.dk on which the notices to the Stock Exchange can be read at full length.

Corporate Governance

Through the past years, Keops has taken a number of initiatives to strengthen Corporate Governance.

Based on the Nørby Committee's report for good Corporate Governance, the Copenhagen Stock Exchange established a committee for good corporate governance. On the basis of the Nørby Committee, the latter Committee has worded a number of recommendations on good corporate governance. The Copenhagen Stock Exchange recommends that companies listed on the Stock Exchange in their annual reports refer to the recommendations of the Copenhagen Stock Exchange for good corporate governance - the so-called "comply or explain"-principle.

The Company observes the Danish Security Council's recommendations except for the below points.

So far, the Company has found it too resource-draining, in relation to the value of the information it would give to the market, to prepare quarterly reports.

So far, the Company has not had a Vice-Chairman. In light of the recent changes in the composition of the Supervisory Board, it will be considered whether the appointment of a Vice-Chairman is relevant.

Assessment of the competency and expertise of the Supervisory Board members as well as evaluation of the Supervisory Board's work is made on an ongoing basis and presently does not observe a formal plan.

The Corporate Governance recommendations include a recommendation of at least half of the Supervisory Board members elected at the Annual General Meeting being independent. On election of new Supervisory Board members as recommended by the Supervisory Board, this recommendation will be observed. The present Supervisory Board does not observe the recommendation as three out of four members are not considered independent. Skarphédinn Berg Steinarsson and Eiríkur S. Jóhannsson are not considered independent by reason of their relation to the main shareholder, Baugur Group hf. Steen Bryde is not considered independent by reason of his role as Director of the associate, Capinordic A/S.

A few members have more Supervisory Board positions than prescribed by the recommendations. The extent of such Supervisory Board positions is assessed not to damage the handling of the Supervisory Board work in Keops A/S.

The total remuneration of the Supervisory and Executive Boards appears from the annual report. For reasons of discretion, the Company does not wish to disclose the Company's remuneration policy or each Supervisory Board member's remuneration or the individual remuneration of the Executive Board members or about retirement programs.

Insider register

According to the Group's insider register, the Supervisory and Executive Boards and employees' share holdings in Keops can be stated as follows on the balance sheet date:

Approx. 200 persons are registered in the insider register, and current control that these persons observe the Company's rules on trading in the Company's shares is carried out.

Insider register including related parties	
	No. of certificates
Jørgen Basso Larsen	22,400
Steen Bryde	287,950
Total Supervisory Board	310,350
Total Executive Board	56,587,312
Total employees	725,175

Financial calendar

26/1/2007	Convention of Annual General Meeting for the financial year 2005/06
23/5/2007	Interim announcement for the financial year 2006/07

Supervisory Boards' recommendation for the Annual General Meeting

At the Company's Annual General Meeting on 26 January 2007, the Supervisory Board will recommend that the Annual General Meeting authorise the Supervisory Board to allow Keops, until 19 July 2008, and within 10% of the share capital, to acquire treasury shares at the market prices effective at the time of acquisition with a deviation of up to 10%. Such authorisation is normal for a listed company.

The Supervisory Board recommends to the General Meeting that no dividend be distributed, so that profit for the year be transferred to reserves under equity.

The Supervisory Board recommends to the General Meeting that point 5.1 of the Articles of Association be extended so as to authorise the Supervisory Board to issue shares of up to nominally DKK 50 million.

As described on page 8, a further recommendation will be the election of three new Supervisory Board members.

Contact

On Keops' website www.keops.dk, further information about the Company is available. Please address inquiries about investors and the share market to: Head of Corporate Affairs Karina Deacon,
 Tel.: +45 3341 0000,
 Fax: +45 3341 0010,
 E-mail: kde@keops.dk

Incentive scheme

In order to attract, retain and motivate key employees and to tie the employees' interests to the shareholders' interests, an incentive scheme has been introduced for key employees in Keops. The Supervisory Board is not included in any incentive scheme.

The development in issued share options has been as follows in the financial year 2005/06 and until 14 December 2006:

Options			
All amounts state number of certificates of DKK 1	Present and former members of the Executive Board	Managing employees	Total
Options at 30/9 2005	4,500,000	1,350,000	5,850,000
Net change in number of outstanding options	(4,000,000)	(650,000)	(4,650,000)
Remaining share options at 30/09/2006	500,000	700,000	1,200,000
Net change in number of outstanding options after the balance sheet date	0	1,135,000	1,135,000
Remaining share options at 14/12/2006	500,000	1,835,000	2,335,000

For detailed review of the share option schemes, please refer to note 4 "Share-based payment", page 61.

Related parties

Related parties are persons or enterprises which, directly or indirectly, have controlling interest or significant influence on the Group's operating or financial management. The following persons and enterprises are considered related parties with controlling influence:

- Group Chief Executive Ole Vagner
- Companies owned by Ole Vagner and his family, InvestorHolding ApS, Vagner Holding ApS and HFI Holding A/S
- The remaining Supervisory Board (see page 40)

Keops Group carried out management functions for companies owned by Ole Vagner and his family. These tasks have been settled on normal market terms. For the financial year 2005/06, these services amount to approx. DKK 311 thousand. Companies controlled by Ole Vagner and his family have provided guarantees for the benefit of other companies in Keops Group of a total of DKK 29,299 thousand in the financial year.

As a part of the Company's continuous desire to comply with good Corporate Governance, it has been decided that Keops Group will in future not carry out the management functions for companies owned by Ole Vagner and his family.

The holiday residence project, Bahia-Fenicia in Spain, which has been sold after the end of the financial year, has been developed in cooperation with Investeringsselskabet af 11.12.1990 ApS, which is owned by the former Director in Keops, Niels K. Thygesen and his family. The cooperation takes place in the company Keops Development S.L., which is owned approx. 67% by Keops A/S and approx. 33% by Investeringsselskabet af 11.12.1990 ApS. Return on outstanding balances, fees for construction management, advisory services, etc. have been determined at prices which correspond to normal market terms.

The Supervisory Board has laid down rules of the extent to which Management and employees may acquire Keops' products such as K/S investment shares and Property Bonds.

Supervisory and Executive Boards as well as the Group's employees as a whole shall possess no more than 1/3 of the investment shares in each investment project offered by Keops.

On the trading date, related parties have collectively carried out the following transactions at market terms in the financial year 2005/06:

Executive and Supervisory Boards' (including related companies') acquisition from Keops A/S		
		Acquisition (DKK)
Keops EjendomsObligationer VIII	nominally	18,490,500
Investment shares in K/S companies	asset total	475,968,422
Holiday residences (Bahia Fenicia), exchange rate EUR 7.4561	asset total	50,867,900

In the following, the members of the Supervisory and Executive Boards are presented by name, seniority as well as managerial positions in other Danish companies at 14 December 2006.

Supervisory Board

The Supervisory Board, which is elected for one year at a time, consists of:

Director Jørgen Basso Larsen (Chairman)

Born on 15 October 1946.
 Joined the Supervisory Board on 22 December 1998.
 CEO of: SFJML Aktieinvest ApS.
 Independent consultant

Director Skarphedinn Berg Steinarsson

Born on 5 July 1963.
 Joined the Supervisory Board on 29 August 2005.
 Managing Director of: Baugur Group.
 Supervisory Board member of: FL Group hf. (Chairman), Stodir hf and Glitnir hf.

General Manager Eiríkur S. Jóhannsson

Born on 8 February 1968.
 Joined the Supervisory Board on 8 November 2006.
 Executive Officer of: Baugur Group.
 Supervisory Board member of: Samherii hf. (Chairman), Atlas Ejendomme A/S, Capinordic A/S and Capinordic Bank A/S.

Group Chief Executive Steen Bryde

Born on 29 April 1967.
 Joined the Supervisory Board on 8 September 2006.
 Director of: Capinordic A/S, SPN 2004 Invest A/S
 Supervisory Board member of: Proviso Fondsmæglerselskab A/S (Chairman), Bristen Ejendomme A/S (Chairman), Bristen Ejendomsinvest A/S (Chairman), Capinordic Bank A/S, Capinordic Property Management A/S (Chairman), Ejendomsselskabet Vitus A/S (Chairman), Griffin Bonds II NRW A/S (Chairman), Havnestadhus A/S (Chairman), Plaza Hotel Group A/S (Chairman), PGH Holding A/S (Chairman), Artilleribyg A/S, Byernes Varme- og Sanitets-Service A/S, Dixi Ejendomsudvikling A/S, Ejendomsaktieselskabet Pakhuset, GW Energi A/S, Haslund Capital Management A/S, Ishøj VVS A/S, Skævinge Byg A/S, Toki Ejendomme A/S, Melo Ejendomme A/S, Lomax A/S, Nielsen & Kromann A/S, Blikkenslagerfirmaet Zinko A/S, Afviklingselskabet af 30. maj 2003 A/S, C. Møllmann & Co.'s Eftf. A/S.

Executive Board

Group Chief Executive Ole Vagner

Born on 20 December 1949.
 Director of: Højhuset Mørkhøj A/S, Keops EjendomsObligationer I A/S.
 Supervisory Board member of: Handels- og Investeringselskabet Hegedal A/S (Chairman), Lomax A/S (Chairman), Center Syd A/S (Chairman), DOMINO Norrköping A/S (Chairman), Capinordic Bank A/S, Capinordic A/S, Ejendomsselskabet af August 2003 A/S, Højhuset Mørkhøj A/S, HFI-Holding A/S, HFI-Invest A/S, M2 A/S.

Financial review

Keops Group has changed its accounting policies on method for recognition of income from development properties effective for the financial year 2005/06, see mentioning in the section on accounting policies. Comparative figures for 2004/05 and key figures for 2003/04 have been restated to reflect the change in accounting policy.

The change in accounting policy has had the following influence on the Group for the financial year 2004/05:

Group (amounts in DKK million)			
	Former policies	Effect of change	New policies
Operating profit	773.4	(95.4)	678.0
Consolidated profit	398.6	(63.7)	334.9
Total assets at 30 September 2005	10,917.30	(164.8)	10,752.5
Equity at 30 September 2005	695.7	(122.1)	573.6

Income statement

Consolidated revenue in the financial year amounts to DKK 2,120 million and has accordingly increased significantly which is primarily caused by increased rental income from the acquisition of a number of large property portfolios.

Keops Asset Management achieved revenue of DKK 1,157 million. Revenue (rental income) has more than doubled compared with last year, which is primarily to be explained by large property transactions being carried out in the financial year

Keops Investment achieved revenue of DKK 150 million. This corresponds to improvement of revenue of 25% compared with last financial year. During the financial year, assets worth approx. DKK 2 billion have been mediated which is at the same level as in last financial year.

Revenue is allocated into seven different projects compared with 20 projects last financial year. As such, each mediated project has a considerably higher average asset value than formerly.

Keops Development achieved revenue of DKK 775 million which corresponds to a decrease of 14% compared with last year. As the time of handing over is decisive for when projects are recognised, there will be fluctuations in revenue between the financial years as relatively few projects are handed over each financial year. In the financial year 2005/06, 10 projects have been handed over.

Gross profit of the Group has increased by DKK 694 million to DKK 1,611 million compared with DKK 917 million last year. The increase in gross profit can be explained by increased value adjustments of properties as well as increase in rental income as a result of a number of newly acquired property portfolios. Increase in gross profit exclusive of value adjustment of properties and debt constitutes DKK 539 million corresponding to an increase of 125%.

"Value adjustment of investment properties and debt, net" constitutes DKK 641 million compared with DKK 486 million in 2004/05, and is attributable to revaluation of investment properties to fair value by DKK 480 million as well as adjustment of debt to fair value by DKK 161 million.

Selling costs and administrative expenses

Selling costs and administrative expenses have increased by DKK 102 million to DKK 272 million compared with DKK 170 million last year. This is caused partly by increase in the number of employees and partly by increased costs of marketing, establishment of internal systems, etc.

Profit in associates/Joint Ventures

Profit in associates/Joint Ventures amounts to DKK 56 million and is primarily attributable to results from 49% of Keops EjendomsObligationer I A/S.

Net financials

Net financials constitute negative DKK 533 million compared with negative DKK 277 million last financial year, which corresponds to an increase of DKK 256 million.

The increase is primarily the consequence of increased finance costs arising from acquisition and financing of several investment and development properties. Interest expenses to banks and credit institutions have accordingly increased by DKK 235 million from 2004/05 to 2005/06. Keops Group on an ongoing basis recognises all interest expenses, including bridging loan rates.

Taxation

Tax expense for the year of DKK 91 million primarily consists of adjustment of deferred tax.

Profit for the year

Consolidated profit for Keops Group for the financial year 1 October 2005 to 30 September 2006 amounts to DKK 873 million before tax, which is more than a doubling compared with the year before.

Dividends

No dividends are proposed distributed to the Parent's shareholders. This is to be viewed in connection with the wish to further consolidate the Group with a view to future performance of growth objectives.

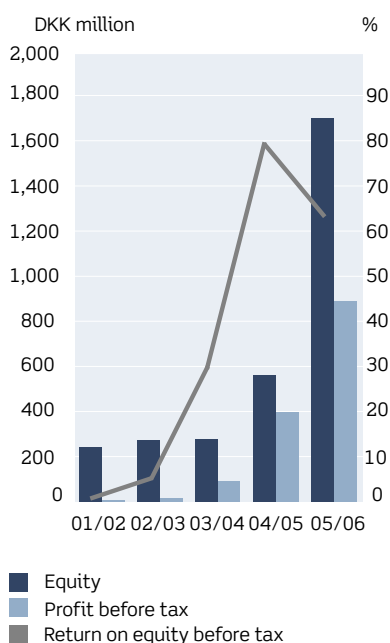
Acquisition of RO's Torv

RO's Torv has been developed and operated together with architect Claus B. Hansen, Roskilde. This is carried out in K/S RO's Torv, which until 24 March 2006 was owned by both parties. At 24 March 2006, Keops Group acquired the joint-venture partner's share so that Keops Group subsequently owns 100% of K/S RO's Torv, while the shopping centre has been sold to Essex Invest A/S.

Cooperation with Investeringselskabet af 11.12.1990 ApS

The holiday residence project Bahía-Fenicia in Spain is developed in cooperation with Investeringselskabet af 11.12.1990 ApS. This takes place in Keops Development S.L. which is owned by Keops A/S by approx. 67% and by Investeringselskabet af 11.12.1990 ApS by approx. 33%. After the end of the financial year, agreement has been concluded as to Keops Group selling its 67% ownership to Investeringselskabet af 11.12.1990 ApS as a part of Keops Group's objective to focus on the Nordic and northern European markets.

Keops' profit, equity and return on equity



Balance sheet

The consolidated balance sheet total at 30 September 2006 constitutes DKK 18,212 million compared with DKK 10,772 million at 30 September 2005. This increase is primarily the result of investment in portfolios of investment properties of approx. net DKK 6.5 billion.

Non-current assets

This item primarily consists of investment properties constituting DKK 10.9 billion.

Project holdings

The holding of development properties at 30 September 2006 constitutes DKK 721 million which is DKK 6 million lower than the project holding at 30 September 2005.

Investment properties for sale

Investment properties put up for sale at 30 September 2006 appear from the presentation on page 23

Receivables

Total receivables amount to DKK 775 million at 30 September 2006 compared with DKK 418 million last year, which corresponds to an increase of DKK 357 million.

Other investments

Other investments have dropped by DKK 835 million. The drop concerns investment in bonds which have been redeemed during the financial year.

Equity

Equity is positively influenced by profit for the year after tax by DKK 782 million and cash capital increase of DKK 537 million. Of total equity of DKK 1,723 million, DKK 820 million is tied under reserve for fair value adjustment, net.

Long-term liabilities other than provisions

Long-term liabilities other than provisions of DKK 9,998 million have increased by DKK 2,612 million which is attributable to financing of acquisition of investment and development properties.

Short-term liabilities

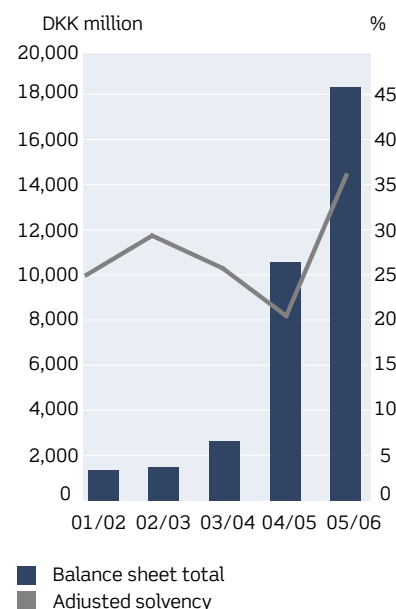
Mortgage debt and payables to other credit institutions have increased by DKK 3,329 million, which primarily relates to short-term payables taken out for financing of acquisition of investment and development properties. Debt relating to investment properties for sale is classified as short-term liabilities other than provisions by a total of DKK 2,041 million.

Cash flow statement

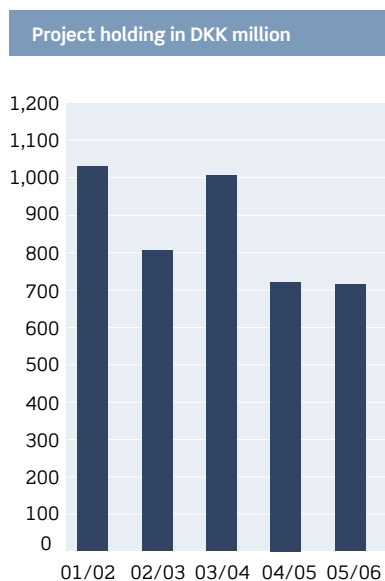
Cash flows before working capital changes amount to DKK 599 million compared with DKK 300 million last year, which corresponds to an increase of DKK 299 million. The primary reason is that profit before value adjustments has increased.

Cash flows from operating activities amount to DKK 2 million compared with DKK 642 million last year. The primary reason is a smaller positive change in working capital than last year as well as increased financial payments.

Keops' balance sheet and adjusted solvency



Adjusted solvency is calculated as clean equity in ratio to balance sheet total less receivables certain to be paid and cash as well as investments with limited liability.



Cash flows from investing activities amount to negative DKK 5,300 million compared with negative DKK 7,668 million last year. Drain on liquidity is primarily attributable to acquisition of investment properties as well as acquisition of subsidiaries, including acquisition of 33% of Capinordic A/S.

Cash flows from financing activities amount to DKK 5,911 million compared with DKK 7,245 million last year. Taking out financing for acquisition of investment and development properties contributes by DKK 6,611 million, while proceeds from capital increase contribute by DKK 537 million.

Closing down company outside of Keops' control

Before Keops in December 1998 had its present name, its present activities, ownership and Management, a composition was upheld for the company then named EPA Invest A/S. The structure of the composition meant that the Company's capital basis was reconstructed, as complete separation of assets and liabilities from before the restructuring was made of the new activities. The progress of the yet unfulfilled composition is therefore absolutely insignificant for creditors and shareholders in Keops.

For formal purposes, the financial statements of the parts of the company separated to fulfil the composition are disclosed in note 22, "Close-down of company outside of Keops' control". The separated part of the balance sheet is not included in the income statement for this and previous financial years. The effect on results of this separated part for the period 1 October 2005 - 30 September 2006 is net zero. The composition was upheld on 6 October 1998, but has not yet been completed.

Significant events after the balance sheet date

After the end of the financial year, the following significant events have occurred:

- Keops Asset Management has acquired two considerable property portfolios of a total of DKK 7.0 billion
- An agreement has been concluded that Keops Group will sell its 67% ownership of Keops Development S.L. to Investeringsselskabet af 11.12.1990 ApS
- Implementation of the Supervisory Board's six points plan for focusing and simplifying Keops business has been initiated

These points as well as a number of less significant events are more closely referred to under the four sections on Keops Group and the individual business areas in this annual report. Apart from these, no significant events have occurred after the end of the financial year.

The Supervisory and Executive Boards have today considered and approved the annual report of Keops A/S for the financial year 1 October 2005 to 30 September 2006.

The annual report has been presented in accordance with International Financial Reporting Standards, as adopted by the EU and additional Danish disclosure requirements on the annual report of listed companies.

Keops considers the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Parent's financial position at 30 September 2006 as well as the results of the Group's and the Parent's activities and cash flows for the financial year 1 October 2005 - 30 September 2006.

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

Copenhagen, 16 January 2007

EXECUTIVE BOARD:


Ole Vagner
Group Chief Executive

SUPERVISORY BOARD:


Jørgen Basso Larsen
Chairman


Steen Bryde


Eiríkur S. Jóhannsson


Skarphedinn B. Steinarsson



Ole Vagner



Jørgen Basso Larsen



Steen Bryde



Eiríkur S. Jóhannsson



Skarphedinn B. Steinarsson

To the shareholders of Keops A/S

We have audited the annual report of Keops A/S for the financial year 1 October 2005 to 30 September 2006. The annual report comprises the statement by Management on the annual report, the Management's review, the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the notes including the accounting policies. The annual report has been presented in accordance with International Financial Reporting Standards, as adopted by the EU, and further Danish disclosure requirements on the annual reports of listed companies.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of the annual report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies. 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 this annual report based on our audit. We conducted our audit in accordance with Danish and International 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 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 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 30 September 2006 and of their financial performance and their cash flows for the financial year 1 October 2005 to 30 September 2006 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies.

Copenhagen, 16 January 2007

Deloitte

Statsautoriseret Revisionsaktieselskab


Anders O. Gjelstrup
State Authorised Public Accountant


Britta Fladeland Iversen
State Authorised Public Accountant

ACCOUNTING POLICIES

The annual report of Keops A/S for 2005/06, comprising the Parent as well as the Group, is presented in accordance with the International Financial Reporting Standards (IFRS), as adopted by EU and additional Danish disclosure requirements for listed companies, according to the requirements for presentation of financial statements of listed companies and the executive order on the adoption of IFRS issued in accordance with the Danish Financial Statements Act. The annual report is presented in DKK.

Changes in accounting policies

Keops Group has complied with the Danish Securities Council's order on changing the application of the method for recognition of revenue from certain development projects effective from the financial year 2005/06.

Formerly, projects were classified as contract development projects, when binding and unconditional agreement on sale had been entered into with the acquirer.

According to the changed accounting policy, development projects are classified as contract development projects when, before initiating the project, a binding and unconditional sales agreement has been concluded and individual negotiation has been made of the project with the acquirer. Individually negotiated means that the acquirer has decisive influence on the presentation, design, choice of materials, etc. Further to this, successive delivery is to be made and the risk is to pass to the acquirer as the work is performed.

Income from contract development projects is still recognised as the work is performed.

The ruling means that Keops Group may no longer as a general rule recognise profits on payments received on account on the majority of sold projects in progress. Recognition of profits will in future mainly take place when the project is sold, the construction is completed and the building is finally handed over to the acquirer.

The consequence of this is a change in the time of recognition of profits on sold projects. This may lead to great variations in the results of the development activities year by year. However, in isolation, the ruling will not have any real financial significance, and it does not affect the Group's liquidity and future cash flows.

In this annual report, comparative figures for 2003/04 and 2004/05 have been restated to reflect the changes in accounting policies.

The change in accounting policy has had the following influence on the Group for the financial year 2004/05:

Group (amounts in DKK million)			
	Former policies	Effect of change	New policies
Operating profit	773.4	(95.4)	678.0
Consolidated profit	398.6	(63.7)	334.9
Total assets, at 30 September 2005	10,917.3	(164.8)	10,752.5
Equity at 30 September 2005	695.7	(122.1)	573.6

In the Notice to the Stock Exchange no. 270, a thorough presentation of the changes' effect on results, assets and equity is included.

The income statement and balance sheet for 2003/04 and 2004/05 have been affected as follows:

Group (amounts in DKK million)		
	Financial year 2004/05 effect of change in policy	Financial year 2003/04 effect of change in policy
Income statement		
Revenue	(95.4)	(11.4)
Operating profit	(95.4)	(11.4)
Tax on profit for the year	31.7	5.2
Consolidated profit	(63.7)	(6.2)
Balance sheet		
Project holdings	(164.8)	(69.4)
Current assets	(164.8)	(69.4)
Total assets	(164.8)	(69.4)
Shareholders in Keops' share of equity	(122.1)	(58.4)
Equity	(122.1)	(58.4)
Deferred tax	(42.7)	(11.0)
Total equity and liabilities	(164.8)	(69.4)

The effect of change in policies for 2005/06 has not been stated as the Group has adjusted its registration systems to the new policies.

Apart from this, the annual report has been presented applying the accounting policies consistently with the annual report for 2004/05.

Implementation of accounting standards and interpretations, which are not effective, are not expected to have material impact on the annual report.

Taxation

As a consequence of new legislation on mandatory joint taxation of Danish Group companies effective from this financial year, the former joint taxation of the Parent and selected Danish subsidiaries has been replaced by joint taxation of all the Group's Danish subsidiaries.

As a result of the change in legislation, the Group's tax payments are changed as corporation tax of the jointly taxable income, which was formerly incurred by the Parent alone, is now fully allocated by payment of joint tax contribution and repayment of tax value of the utilised losses between the Danish Group enterprises. In addition to this, deferred tax assets and liabilities for the jointly taxed enterprises which were formerly recognised in the Parent, are recognised in the subsidiaries effective from 1 October 2005.

The transfer has only been considered change of accounting estimates in the affected group enterprises. In the Parent, this has resulted in tax expense of DKK 3.3 million which corresponds to total, transferred tax assets/liabilities, net. The expensed amount, however, is set off by a corresponding recognition of income in the subsidiaries' tax income attributable to their acquisition of the same tax assets and liabilities.

The consolidated financial statements and comparative figures have not been affected by the changes.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when they are probable and can be measured reliably. On initial recognition, assets

and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each financial statement item below.

Profits, losses and risks 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, including recognition of value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Furthermore, costs incurred to achieve earnings for the year are recognised in the income statement, including depreciation, impairment losses and provisions as well as reversal of these entries as a result of changed accounting estimates in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the Parent, Keops A/S, and subsidiaries in which Keops A/S directly or indirectly possesses more than 50% of the votes or otherwise has controlling influence.

Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and has significant but not controlling influence are regarded as associates/joint ventures.

The consolidated financial statements are prepared on the basis of financial statements of Keops A/S and its subsidiaries by combination of financial statement items of a uniform nature. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

On consolidation, intra-group income and expenses, intra-group accounts and shareholdings and dividends as well as realised and unrealised profits and losses on transactions 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 point in time when control of the enterprise is acquired. Enterprises sold or closed down are recognised in the consolidated income statement until the time of surrender, which is the time at which control of the enterprise is transferred to a third party. Comparative figures are not restated for newly acquired, sold or discontinued enterprises.

The purchase method is applied in the acquisition of new enterprises, under which the identified assets and liabilities and contingent liabilities of these enterprises are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they can be separated or arise out of a contractual right, and fair value can be calculated reliably. Deferred tax is recognised of the reassessments made.

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

Positive differences (goodwill) between cost of the acquired enterprise and fair value of the identified acquired assets, liabilities, contingent liabilities are recognised as intangible assets. Goodwill is tested annually for impairment. The initial impairment tests are performed within the end of the year of acquisition. On acquisition, goodwill is attributed to the cash generating units which subsequently form 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 the reassessment still exceeds cost, the difference is recognised as income in the income statement.

For business combinations carried out before 1 October 2003, the accounting classification is maintained in accordance with former accounting policies. Based on cost recognised in accordance with the previous accounting principles (The Danish Financial Statements Act and Danish Accounting Standards), goodwill was recognised less amortisation and impairment losses until 30 September 2003. Goodwill is not amortised after 1 October 2003. Goodwill, recognised in the opening balance sheet, has been tested for impairment at 1 October 2003 and is tested annually for impairment.

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and carrying amount of the net assets at the time of divestment or winding-up, inclusive of goodwill, accumulated exchange rate adjustments taken directly to equity as well as estimated divestment or winding-up expenses. The selling price is measured at fair value of the consideration received.

Minority interests

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata share of subsidiaries' profit and equity are included in the consolidated income statement for the year and as a separate item under equity, respectively.

To the extent put options or other agreements have been issued, which commit Keops to acquire minority shareholders' investments in subsidiaries, the present value of the agreed consideration for the investments is reclassified from equity to liabilities other than provisions.

Foreign currency translation

For each of the reporting entities of the Group, a functional currency is determined. The functional currency is the currency applied in the primary financial environment in which each reporting unit operates. Transactions in other currencies than the reporting currency are transactions in foreign currencies.

On initial recognition, transactions in other currencies than the functional currency 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. Property, plant and equipment and intangible assets, inventories and other non-monetary assets acquired in foreign currencies and measured on the basis of historical cost are translated applying the exchange rate of the transaction date. Non-monetary items re-estimated at fair value are translated applying exchange rates at the time of re-estimating.

On recognition in the consolidated financial statements of enterprises presenting financial statements in a different functional currency than DKK, the income statements are translated at average exchange rates for the year, unless they deviate significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are applied. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the relevant acquired entity and is translated using the exchange rate at the balance sheet date.

Exchange differences arising out of the translation of foreign subsidiaries' balance sheet items at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly on equity. Correspondingly, exchange differences arising as a result of changes made directly in the foreign entity's equity are also recognised in equity.

INCOME STATEMENT**Revenue**

Income from contract development projects is recognised as delivery is made and risk passes to the buyer. When a project property is sold and starts active development, and also meets the requirements of IAS 11 about construction contracts, a prudently calculated profit of the project is recognised in proportion to the following value creating factors/assessment phases:

- Approvals from the authorities
- Financing
- Leases
- Stage of completion of construction
- Selling process

Sale of developed properties on own account is recognised at the date of transfer.

Rental income from development and investment properties is accrued and recognised as income according to contracts concluded.

Commission and consultancy income on sale of projects in Keops Investment and Keops Asset Management are included in the income statement as the shares of the projects are sold. Other consultancy fees are recognised as income when the relevant advisory services are invoiced and delivered.

Cost of sales

Cost of sales comprises costs incurred to earn revenue, including wages, construction costs of development of sold project properties, operating expenses for development and investment properties as well as cost of properties sold.

Under cost of sales, project development costs are also recognised which do not meet the criteria for capitalisation.

Value adjustments, investment properties and debt, net

Changes in the fair value of investment properties and related debt and derivative financial instruments are recognised in the income statement in the financial statement item "Value adjustments, investment properties and debt, net".

Realised profits on sale of investment properties

Profits and losses on sale of investment properties, which are calculated as the difference between carrying amount and selling price, are recognised in the income statement in the item "Realised profits on sale of investment properties".

Selling costs and administrative expenses

In selling costs and administrative expenses, costs and expenses are recognised which are incurred during the year for management of the group, including costs of selling, administrative staff, management, office premises and offices costs as well as impairment.

Profit from investments in subsidiaries and associates/Joint Ventures in Parent

Profit from investments in subsidiaries and associates/Joint Ventures comprise dividends received, impairment if recoverable amount is lower, and gains and losses on winding up of subsidiaries and associates/Joint Ventures for the year. Dividend is recognised under financial income when shareholders' right to receive dividends is approved by the General Meeting. If distributed dividends exceed accumulated earnings after the date of acquisition, dividends, however, are only recognised as write-down of the cost of the investment.

Profit from investments in associates/Joint Ventures in consolidated financial statements

In the consolidated financial statements, the pro rata share of associates/Joint Ventures is recognised after elimination of pro rata share of intra-group profit/loss and less any impairment of goodwill.

Financial income and expenses

Financial income and expenses include interest income and expenses, capital gains and losses concerning securities, debt and transactions in foreign currency, transaction costs incurred on borrowing as well as amortisation of financial assets and liabilities, apart from fair value adjustment of debt and derivative financial instruments relating to investment properties.

Tax on profit/loss for the year

The Company is subject to the Danish rules on mandatory joint taxation of Keops Group'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 recognises 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 A/S, as management company, acquires the liability for the subsidiaries' corporation taxes to the tax authorities as the subsidiaries make their payment of joint taxation contribution.

The current tax payable and receivable is recognised in the balance sheet as tax calculated on this year's taxable income, adjusted for prior years' taxable income and prepaid taxes.

Payable and receivable joint tax contributions 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. However, deferred tax on temporary differences regarding non-amortisable goodwill and other items for which temporary differences - apart from enterprise acquisitions - have occurred at the time of acquisition without affecting the results or taxable income is not recognised. Where statement of the tax base can be made according to alternative tax rules, deferred tax is measured on the basis of the by Management planned use of the asset/settlement of the liability.

Deferred tax on temporary differences related to investments in subsidiaries and associates/Joint Ventures is recognised, unless the Parent is able to control when then the deferred tax is to be realised, and it is probable that the deferred tax will not be triggered as current tax in the foreseeable future.

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

Adjustment of deferred tax is made relating to eliminations of unrealised intra-group profits and losses.

Deferred tax is measured based on the tax regulations and tax

rates of the relevant countries that will be in effect according to law at the balance sheet date when the deferred tax is estimated to be triggered as current tax.

BALANCE SHEET

Goodwill

Goodwill is recognised and measured on initial recognition in the balance sheet at cost. Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Company's cash-generating units at the time of acquisition. Determination of cash-generating units complies with management structure and internal financial management.

The carrying amount of goodwill is tested at least once a year for impairment together with the other non-current assets in the cash-generating unit, to which goodwill is allocated, and is written down to recoverable amount over the income statement, if the carrying amount is higher. The recoverable amount is mainly stated as the current value of future cash flows from the enterprise or activity (cash-generating unit) to which the goodwill relates.

Property, plant and equipment

Land and buildings, fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when the asset is ready to be put into operation.

For finance leases, cost is the lower of fair value and present value of future lease payments. The internal rate of return of the lease or an approximation of this is applied as a discount factor for determining the present value.

Straight-line depreciation is made on the basis of the estimated useful lives based on the following estimated useful lives of the assets:

- Fixtures and fittings, tools and equipment and leasehold improvements are depreciated over 3 years.

Depreciation is recognised in the income statement under selling costs and administrative expenses. Profits and losses from the sale of property, plant and equipment are measured as the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement under selling costs and administrative expenses.

Impairment of property, plant and equipment and intangible assets

The carrying amounts of property, plant and equipment and intangible assets with determinable useful lives are reviewed at the balance sheet date in order to determine whether there are indications of impairment. If there are indications of impairment, the recoverable amount of the asset is estimated to determine the need for a possible impairment as well as the amount of it. For goodwill, recoverable amount is estimated irrespective of whether indications of impairment of value have been found.

If the asset does not generate cash independently of other shares, the recoverable amount is estimated for the smallest cash generating unit in which the asset is included.

The recoverable amount is calculated as the highest value of the fair value of the asset or the cash generating unit, respectively, less selling costs and present value. On calculation of the present value, the future estimated cash flows are discounted at fair value by use of a discount factor reflecting partly current market assessments of the timing value of money and partly the special risks related to the asset or the cash-generating unit, respectively, and for which no adjustment is made in the estimated future cash flows.

If the recoverable amount of the asset or the cash-generating

unit, respectively, is estimated to be less than carrying amount, the carrying amount is written down to recoverable amount. For cash-generating units, the impairment is distributed so that goodwill is impaired firstly, and secondly, a possible remaining impairment need is allocated on the other assets in the unit, so that each asset however is not written down to a lower value than the fair value of the asset less anticipated selling costs.

Writedown is recognised in the income statement. On possible subsequent reversals of impairment as a result of changes in assumptions for the calculated recoverable amount, the carrying amount of the asset or the cash-generating unit, respectively, is increased to the adjusted estimate of recoverable amount, however, maximum to the carrying amount of the asset or cash-generating unit, respectively, had impairment not been made. Impairment on goodwill is not reversed.

Investment properties

Investment properties are properties owned to earn rental income and/or capital gains.

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

Investment properties are subsequently measured by property portfolio at fair value. Measurement is made by application of a discounted cash flow model, by which future cash flows from the ownership of investment properties are discounted. The return requirement (discount factors) is determined for each property or for portfolios of properties with identical characteristics, if possible.

The determination of return requirements is made based on assessments by independent broker and valuation firms in the countries in which the properties are located. External assessment is made once each year in connection with year-end closing.

On acquisition of portfolios of investment properties, assessment is made of whether the acquisition is an acquisition of enterprise treated as a business combination or an acquisition of one or several assets. If, in connection with the acquisition, Keops acquires an organisation and if Keops to a considerable extent acquires agreements with third parties as to operation of properties, the acquisition is considered a take-over. The number of properties included in the relevant portfolio is also part of the overall assessment.

If the acquisition is considered an acquisition of one or several assets, no deferred tax is recognised on temporary differences between the carrying amount and tax-based value at the time of acquisition, see the accounting policies for current tax and deferred tax, and no goodwill is calculated for the relevant portfolio.

On sale of portfolios of investment properties, assessment is also made of whether the sale is a transfer of enterprise or a sale of one or several assets. This assessment includes the classification of the portfolio in connection with the acquisition, see above. On sale of a portfolio classified as transfer of enterprise, profits or losses are calculated as the difference between selling price and the carrying amount of net assets related to the portfolio at the time of the sale, including goodwill, if any, and are recognised in the income statement under "Realised profit on sale of investment properties".

Costs, adding new or improved qualities to an investment property compared with the date of acquisition, and which thereby improve the future yield of the property, are added to cost as an improvement. Costs, which do not add new or improved qualities to an investment property, are expensed in the income statement under cost of sales.

Buildings under construction, additional constructions and reconstruction projects for the purpose of future use as investment properties are measured at cost.

Value adjustments are recognised in the income statement under the item "Value adjustments, investment properties and debt, net". Positive value adjustments of investment properties less deferred tax are recognised in "Reserve for fair value adjustment" under equity.

Properties which are expected sold are reclassified to "Investment properties for sale".

Investments in subsidiaries and associates/Joint Ventures in the Parent

Investments in subsidiaries and associates/joint ventures are measured at cost. If cost exceeds the recoverable amount, investments are written down to such lower amount. Cost is written down if distributed dividends exceed accumulated earnings after the date of acquisition.

Investments in associates/joint ventures in the consolidated financial statements

Investments in associates/joint ventures are measured according to the equity method at the pro rata ownership share of the enterprise's equity plus goodwill and less intra-group profits.

Investments in associates/Joint Ventures with negative equity are measured at DKK 0. Receivables and other long-term financial assets considered to be part of the total investment in the associate /Joint Venture are written down by any residual negative equity value. Other receivables from the associate/Joint Venture are written down only to the extent they are assessed irrecoverable. A provision is recognised if the enterprise has committed to cover the associate's/Joint Venture's loss or is liable to the associate's/Joint Venture's liabilities.

In the Group's equity, the pro rata share of all transactions and events recognised directly in the associate's/Joint Venture's equity is recognised.

On acquisition of investments in associates/Joint Ventures the acquisition method is applied, see the description above under consolidated financial statements.

Project holdings

Projects and properties, for which development is initiated or for which the acquirer does not have decisive influence on the development, are recognised under current assets. These projects are measured at cost plus projecting and development costs incurred. Projecting and development costs comprise external and internal salaries in connection with planning and management of projects as well as the physical construction, which is only carried out by external cooperating partners.

Contract work in progress

Contract development projects are classified as contract work in progress when before the initiation of the project partly a binding and unconditional sales agreement, partly an individual negotiation with the acquirer has been made. Individually negotiated means that the acquirer has decisive influence on the presentation, design, choice of materials, etc. Further to this, successive delivery is to be made and the risk is to pass to the acquirer as the work is performed.

Contract work in progress is measured at selling price of the work performed less on account invoicing and anticipated losses.

The selling price is measured based on the percentage of completion on the balance sheet date and the total anticipated income from each development project. Usually, the percentage of completion is determined as the ratio between the actual consumption of resources and the total budgeted consumption of resources.

If the outcome of a development project cannot be estimated reliably, the construction contract is measured at incurred projecting and development costs to the extent they are recoverable.

When it is likely that the total projecting and development costs will exceed the total construction income from a development project, the anticipated loss is recognised directly as an expense.

Each contract development project in progress is recognised in the balance sheet under receivables or liabilities, depending on whether net value constitutes an asset or a liability.

Other securities and investments

Securities comprise listed bonds and equity interests classified as trading portfolio.

On initial recognition, securities are measured at cost at the trading date. Subsequently, securities are measured at fair value at the balance sheet date and changes in fair value are recognised in the income statement.

Fair value is calculated corresponding to the market price of listed securities and to an estimated fair value calculated on the basis of market information as well as recognised methods of measurement of other securities.

Equity interests not traded in an active market, and where fair value cannot be calculated sufficiently reliable, are measured at cost.

Bonds with a fixed term and which the enterprise holds to maturity are subsequently measured at amortised cost.

Receivables

Receivables are measured at amortised cost. Provision is made for bad debts.

Cash

Cash comprises cash funds as well as bank deposits.

Dividends

Proposed dividends are recognised as a liability at the time of adoption at the Annual General Meeting (time of declaration). Dividends expected to be distributed for the year are disclosed as a separate equity item.

Treasury shares

Acquisition and sale of treasury shares are recognised directly in equity under retained earnings.

Other provisions

Provisions i.a. comprise anticipated costs of warranty commitments and indemnities on sold development properties. The warranty periods are 1-5 years. Provisions are measured and recognised on the basis of experience in warranty work as long-term liabilities.

Financial liabilities

Debt to mortgage credit institutions and other credit institutions concerning development properties are recognised on taking out the loan at the proceeds received less transaction costs incurred. In subsequent periods, these financial liabilities are measured at amortised cost.

Debt to mortgage credit institutions, bond debt and other credit institutions relating to investment properties are recognised at the time of borrowing 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 adjustments, investment properties and debt, net". Adjustment of mortgage debt, which is a write-down, is tied under equity in "Reserve for fair value adjustment".

In financial liabilities, the capitalised remaining lease commitments on finance leases are also recognised.

Other financial liabilities, which comprise payables to suppliers, associates/Joint Ventures and other payables, are measured at amortised cost.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are recognised at fair value. After initial recognition, derivative financial instruments are recognised at fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are included in other receivables or other debt, respectively, and set-off of positive and negative values is only made when the enterprise is entitled to and intends to settle several contracts at once (by difference settlement).

Changes in fair value are recognised currently in the income statement under "Value adjustments, investment properties and debt, net".

Incentive schemes

The Group's incentive schemes comprise share option programs and employee shares.

Share option program

The value of services received as a trade off for granted options is measured at fair value of the options.

Equity-settled share options are measured at fair value at the date of grant and expensed under staff costs during the financial year in which the final right to options vests. The set-off entry is recognised directly under equity.

On initial recognition of share options, the amount of share options the employees are expected to acquire is estimated. Subsequently, changes in estimate of number of legally acquired options are adjusted, so that the total recognition is based on the actual number of legally acquired options.

On calculation of fair value at the time of grant, the Black Scholes model is applied.

CASH FLOW STATEMENT

The cash flow statement shows the consolidated cash flows for the year by operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the Group's cash at the beginning and the end of the year.

The cash flow statement is calculated according to the indirect method based on profit for the year before tax.

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

Cash flows from investing activities comprise proceeds and instalments on loans, payments in connection with acquisition and divestment of enterprises and activities as well as acquisition and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise changes in size or composition of the Parent's share capital and related costs as well as payment of dividend to the company members.

SEGMENT INFORMATION

Segment information is provided for business segments (primary segment allocation). The segmental disclosures comply with the Group's accounting policies and internal financial management. Segment income and expenses as well as segment assets and liabilities comprise the items attributable to each segment as well as the items which can be allocated to each segment on a reliable basis. The un-allocated items primarily concern assets and liabilities as well as income and costs related to the Group's administrative functions, income taxes, etc.

Non-current assets in the segments comprise the assets applied in the operation of the segment, including intangible assets and property, plant and equipment as well as investments in associates/Joint Ventures.

Current assets in the segments comprise the assets directly attributable to operation in the segment, including project portfolios, trade receivables, other receivables, prepayments and deferred income as well as cash.

Liabilities related to the segments comprise the liabilities derived from operation in the segment, including trade payables, provisions and other payables.

Ratios

The ratios stated under financial highlights have been calculated as follows:

Return on equity (after tax)	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$
Adjusted solvency	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets less receivables certain to be paid and cash and cash equivalents as well as investments with limited liability}}$
Solvency	$\frac{\text{Equity at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$
Net asset value at year-end	$\frac{\text{Total equity at year-end}}{\text{Share capital at year-end}}$
Earnings per share	$\frac{\text{Parent shareholders' share of profit for the year}}{\text{Average number of shares}}$
Dividend rate	Parent's dividend rate

Ratios have been compiled in accordance with "Recommendations and Ratios 2005" by the Danish Society of Financial Analysts, apart from adjusted solvency.

ACCOUNTING ESTIMATES AND ASSESSMENTS

Uncertainty relating to estimates

The statement of carrying amount of certain assets and liabilities requires assessment, estimates and assumptions on future events.

The estimates and assumptions are based on historical experience and other factors which Management considers reasonable under the circumstances, but which are naturally uncertain and unpredictable. The assumptions may be incomplete or inaccurate and unexpected events or circumstances may occur. Furthermore, the Company is subject to risk and uncertainty that may result in deviations of the actual outcome from such assumptions.

It may be necessary to change formerly made estimates as a result of changes in the circumstances forming the basis of the former estimates or based on new information or subsequent events.

Estimates, which are considered significant for the presentation of financial statements, are i.a. made by statement of fair value of investment properties.

Fair value adjustment of investment properties

Keops' Investment properties are measured by the end of the period at fair value, and the value adjustments are taken to the income statement. Measurement to fair value is made on the basis of a Discounted Cash Flow model. The model includes several elements based on Management's estimates of the current market terms, including return rates and operating and cash flow budgets for the properties. For more details on the individual elements, please refer to pages 21-22.

Contract development of properties

Properties being developed on contract are measured at selling amount of the work performed less on account invoicing and anticipated losses.

If the outcome of a development project is not considered reliable, the construction contract is measured at incurred projecting and development costs, if they are recoverable.

When it is likely that the total projecting and development costs will exceed the total construction income from a development project, the anticipated loss is recognised directly as an expense.

Assessment on selection of accounting policies

As a part of the application of the Group's accounting policies, Management makes assessments, apart from estimates, which may have considerable influence on the amounts recognised in the annual report.

In 2005/06, Management has i.a. made assessments relating to recognition of revenue.

Recognition of revenue

As stated under accounting policies on page 47, the Group has, upon order from the Danish Securities Council, changed its policy for recognition of income from certain development projects.

According to the changed accounting policy, development projects are classified as contract development projects when, before initiating the project, a binding and unconditional sales agreement has been concluded and individual negotiation has been made of the project with the acquirer. Income from contract development projects is recognised as the work is performed whereas income from development projects on own account is recognised when the project has been completed and transferred to the acquirer.

Accordingly, an assessment of the degree to which the project decoration, design, choice of materials, etc. have been individually negotiated with the acquirer of the project before it is initiated is to be made. The relationship between the acquirer and Keops is to form the basis for this assessment. The fact that a project has been designed according to the future tenant's individual needs therefore does not mean that the project has been individually negotiated between the acquirer and Keops.

Recognition of income from development projects as the work is performed is furthermore conditioned by successive delivery being made and thereby the transfer of risks and benefits related to the project. In this connection, an assessment is made of whether the acquirer or Keops bears the financial risk, irrespective of whether such risk is hedged by insurance taken out, as well as whether the acquirer or Keops has the right to e.g. rental income in the period until the completion and final transfer of the project.

Acquisition of investment properties

On acquisition of investment properties, Management has made an assessment as to whether being business combinations or acquisition of assets in accordance with IFRS 3, Business Combinations.

On Management's assessment, decisive emphasis is put on the volume of acquired employees and agreements with third parties on operation of properties. Management assesses the transaction to be acquisition of assets unless, in connection with the acquisition, an organisation has been acquired and, to a considerable extent, agreements have been made with third parties on operation of the properties.

INCOME STATEMENT

Amounts in DKK '000	Note	Keops Group		Keops A/S	
		2005/06	2004/05	2005/06	2004/05
Income statement					
Revenue	1, 2	2,120,332	1,498,656	328,372	320,084
Cost of sales	3	(1,184,892)	(1,067,906)	(208,912)	(346,444)
Value adjustment, investment properties and debt, net	9	641,199	485,781	0	0
Realised profits on sale of investment properties		33,892	0	0	0
Gross profit		1,610,531	916,531	119,460	(26,360)
Selling costs and administrative expenses	3, 4, 5, 12, 13	(271,800)	(169,866)	(27,439)	(12,357)
Other operating income		11,078	0	10,677	0
Profit in associates/Joint Ventures	6	56,095	(68,750)	0	0
Value adjustment of subsidiaries	6	0	0	(353,922)	(4,537)
Operating profit/(loss)		1,405,904	677,915	(251,224)	(43,254)
Financial income	7	354,324	310,637	379,995	214,782
Financial expenses	8	(887,191)	(587,680)	(141,187)	(233,304)
Profit/(loss) before tax		873,037	400,872	(12,416)	(61,776)
Tax on profit/(loss) for the year	10	(90,576)	(65,943)	(9,892)	27,876
Profit/(loss) for the year		782,461	334,929	(22,308)	(33,900)
Allocated as follows:					
Shareholders in Keops A/S		793,674	262,255		
Minority interests		(11,213)	72,674		
		782,461	334,929		
Earnings per share	11	4,77	1,70		
Diluted earnings per share	11	4,71	1,66		
Proposed distribution of profit:					
Proposed dividend, 0% (15%)				0	23,448
Retained earnings				(22,308)	(57,348)
Profit/(loss) for the year				(22,308)	(33,900)

Amounts in DKK '000	Keops Group		Keops A/S		
	Note	2005/06	2004/05	2005/06	2004/05
Profit for the year before tax		873,037	400,872	(12,416)	(61,776)
Adjustments	23	(274,409)	(100,574)	121,086	17,984
Cash flows before working capital changes		598,628	300,298	108,670	(43,792)
Working capital changes	24	59,131	619,233	(892,795)	(949,095)
Cash flows from primary operating activities		657,759	919,531	(784,125)	(992,887)
Financial income, paid		154,077	310,637	124,530	22,537
Financial expenses, paid		(809,523)	(587,680)	(91,209)	(32,401)
Cash flows from ordinary operating activities		2,313	642,488	(750,804)	(1,002,751)
Corporation taxes paid		0	0	0	0
Cash flows from operating activities		2,313	642,488	(750,804)	(1,002,751)
Acquisition of investment properties through company acquisitions		(4,806,648)	0	0	0
Acquisition of investment properties		(1,797,060)	(6,181,006)	0	0
Sale of investment properties		895,506	0	0	0
Acquisition of property, plant and equipment		(9,049)	(17,254)	(6,767)	(11,094)
Sale of property, plant and equipment		4,374	0	300	0
Acquisition of companies	25	(51,033)	(74,710)	(101,970)	(99,538)
Sale of companies		(13,665)	0	0	0
Acquisition of associates		(354,186)	0	(355,165)	0
Sale of associates		20,417	0	5,247	0
(Acquisition)/sale of securities		811,044	(1,394,796)	661,155	21,664
Cash flows from investing activities		(5,300,300)	(7,667,766)	202,800	(88,968)
Proceeds from taking out loans, short-term and long-term		6,611,209	7,323,641	1,340,448	1,341,952
Instalments on loans taken out, short-term and long-term		(1,112,307)	(63,791)	(1,293,929)	(196,663)
Dividend distributed		(23,097)	(15,632)	(23,097)	(15,632)
Proceeds received from capital increase		537,306	1,232	537,306	1,232
Costs on capital increase		(9,261)	0	(9,261)	0
Acquisition of treasury shares		(51,210)	0	(51,210)	0
Additions and disposals of minority shareholders		(42,065)	0	0	0
Cash flows from financing activities		5,910,575	7,245,450	500,257	1,130,889
Cash flows for the year		612,588	220,172	(47,747)	39,170
Cash and cash equivalents at the beginning of the year		404,718	184,546	87,734	48,564
Cash and cash equivalents at year-end	26	1,017,306	404,718	39,987	87,734

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

BALANCE SHEET - ASSETS

Amounts in DKK '000	Note	Keops Group		Keops A/S	
		30/9/06	30/9/05	30/9/06	30/9/05
ASSETS					
Non-current assets					
Goodwill	12	204,175	87,572	0	0
Intangible assets		204,175	87,572	0	0
Investment properties	13	10,948,539	7,689,808	0	0
Fixtures and fittings, tools and equipment	13	31,717	18,968	10,708	12,138
Property, plant and equipment		10,980,256	7,708,776	10,708	12,138
Investments in subsidiaries	6	0	0	96,674	163,308
Investments in associates/ Joint Ventures	6	753,810	68,224	652,016	0
Other securities		9,992	4,211	9,731	3,950
Deferred tax	18	93,355	57,380	0	0
Other non-current assets		857,157	129,815	758,421	167,258
Non-current assets		12,041,588	7,926,163	769,129	179,396
Current assets					
Sold projects in progress		357,517	441,353	6,635	64,090
Developed properties for sale		6,103	89,518	0	35,066
Properties under development		141,969	48,817	10,027	11,248
Properties under projecting		215,200	146,892	52,066	56,765
Project holdings	14	720,789	726,580	68,728	167,169
Investment properties for sale	13	3,195,317	0	0	0
Receivables from sale of properties		237,032	5,004	151,700	5,004
Other trade receivables		44,601	24,928	4,984	3,875
Receivables from associates/ Joint Ventures		10,236	61,638	587,506	302,725
Receivables from shareholder		0	261	0	261
Contract work in progress	14	48,645	0	0	0
Other receivables	15	434,810	325,889	44,732	15,836
Receivables		775,324	417,720	788,922	327,701
Other securities and investments	16	461,545	1,296,810	639,403	1,297,538
Cash	26	1,017,306	404,718	39,987	87,734
Current assets		6,170,281	2,845,828	1,537,040	1,880,142
ASSETS		18,211,869	10,771,991	2,306,169	2,059,538

Amounts in DKK '000	Note	Keops Group		Keops A/S	
		30/9/06	30/9/05	30/9/06	30/9/05
EQUITY AND LIABILITIES					
Share capital	17	175,711	156,724	175,711	156,724
Reserve for fair value adjustment		820,054	371,220	0	0
Exchange adjustment, subsidiaries		0	0	(1,217)	(1,213)
Retained earnings		725,999	(25,117)	415,044	(22,313)
Proposed dividend		0	23,448	0	23,448
Shareholders in Keops' share of equity		1,721,764	526,275	589,538	156,646
Minority interests		857	47,398	0	0
Total equity		1,722,621	573,673	589,538	156,646
Mortgage debt	20	8,345,761	6,011,897	78,991	0
Bond debt	20	1,279,282	1,138,000	0	0
Other long-term liabilities other than provisions		47,500	0	0	0
Deferred tax	18	246,426	206,013	23,059	13,166
Other provisions	19	78,763	29,403	8,259	9,216
Long-term liabilities other than provisions		9,997,732	7,385,313	110,309	22,382
Mortgage debt	20	2,449,189	103,517	0	21,930
Other credit institutions	20	2,879,819	1,896,552	1,354,329	1,424,275
Acquisition price payable, properties		75,450	11,488	2,138	0
Trade payables		113,104	71,207	10,644	19,862
Payable to associates/ Joint Ventures		4,265	9,769	152,704	153,246
Deposits		31,419	4,509	0	1,703
Corporation tax		24,738	866	0	0
Deferred income		191,814	305,799	54,597	201,063
Other payables		653,378	396,237	15,864	51,279
Other provisions	19	68,340	13,061	16,046	7,152
Short-term liabilities other than provisions		6,491,516	2,813,005	1,606,322	1,880,510
Liabilities other than provisions		16,489,248	10,198,318	1,716,631	1,902,892
EQUITY AND LIABILITIES		18,211,869	10,771,991	2,306,169	2,059,538
Security and contingent liabilities	21				

STATEMENT OF CHANGES IN EQUITY

	Keops Group						
	Share capital	Reserve for fair value adjustment	Retained earnings	Proposed dividends	Shareholders' share of equity	Minority interests	Total equity
Equity at 1 October 2004	156,324	21,458	142,044	15,632	335,458	(3,003)	332,455
Change in accounting policies for on account profits at the beginning of the year	0	0	(58,368)	0	(58,368)	0	(58,368)
Equity at 1 October 2004 after this	156,324	21,458	83,676	15,632	277,090	(3,003)	274,087
Change in equity in 2004/05							
Profit/(loss) for the year	0	349,762	(110,955)	23,448	262,255	72,674	334,929
Exchange adjustment re. foreign subsidiaries	0	0	(1,213)	0	(1,213)	0	(1,213)
Total comprehensive income/(loss)	0	349,762	(112,168)	23,448	261,042	72,674	333,716
Capital increase	400	0	832	0	1,232	0	1,232
Share-based payment	0	0	2,280	0	2,280	0	2,280
Minority interests, additions and disposals	0	0	0	0	0	(22,273)	(22,273)
Dividend distributed	0	0	0	(15,632)	(15,632)	0	(15,632)
Dividend re. treasury shares	0	0	263	0	263	0	263
Total changes in equity in 2004/05	400	349,762	(108,793)	7,816	249,185	50,401	299,586
Equity at 30 September 2005	156,724	371,220	(25,117)	23,448	526,275	47,398	573,673
Changes in equity in 2005/06							
Profit/(loss) for the year	0	448,834	344,840	0	793,674	(11,213)	782,461
Exchange adjustment re. foreign subsidiaries	0	0	848	0	848	0	848
Total comprehensive income/(loss)	0	448,834	345,688	0	794,522	(11,213)	783,309
Capital increase	18,987	0	518,319	0	537,306	0	537,306
Share-based payment	0	0	1,466	0	1,466	0	1,466
Liabilities re. acquisition of minority interests	0	0	(47,500)	0	(47,500)	0	(47,500)
Minority interests, additions and disposals	0	0	(6,737)	0	(6,737)	(35,328)	(42,065)
Costs re. capital increase	0	0	(9,261)	0	(9,261)	0	(9,261)
Dividend distributed	0	0		(23,448)	(23,448)	0	(23,448)
Dividend re. treasury shares	0	0	351	0	351	0	351
Acquisition of treasury shares	0	0	(51,210)	0	(51,210)	0	(51,210)
Total changes in equity in 2005/06	18,987	448,834	751,116	(23,448)	1,195,489	(46,541)	1,148,948
Equity at 30 September 2006	175,711	820,054	725,999	0	1,721,764	857	1,722,621

Amounts in DKK '000	Keops A/S				
	Share capital	Exchange adjustment, subsidiaries	Retained earnings	Proposed dividends	Total
Equity at 1 October 2004	156,324	0	39,994	15,632	211,950
Change in accounting policies for on account profits at the beginning of the year	0	0	(7,434)	0	(7,434)
Equity at 1 October 2004 after this	156,324	0	32,560	15,632	204,516
Change in equity in 2004/05					
Profit/(loss) for the year	0	0	(57,348)	23,448	(33,900)
Exchange adjustment re. foreign subsidiaries	0	(1,213)	0	0	(1,213)
Total comprehensive income/(loss)	0	(1,213)	(57,348)	23,448	(35,113)
Capital increase					
Capital increase	400	0	832	0	1,232
Share-based payment	0	0	1,380	0	1,380
Dividend distributed	0	0	0	(15,632)	(15,632)
Dividend re. treasury shares	0	0	263	0	263
Total changes in equity in 2004/05	400	(1,213)	(54,873)	7,816	(47,870)
Equity at 30 September 2005	156,724	(1,213)	(22,313)	23,448	156,646
Changes in equity in 2005/06					
Profit/(loss) for the year	0	0	(22,308)	0	(22,308)
Exchange adjustment re. foreign subsidiaries	0	(4)	0	0	(4)
Total comprehensive income/(loss)	0	(4)	(22,308)	0	(22,312)
Capital increase					
Capital increase	18,987	0	518,319	0	537,306
Share-based payment	0	0	1,466	0	1,466
Costs on capital increase	0	0	(9,261)	0	(9,261)
Dividend distributed	0	0	0	(23,448)	(23,448)
Dividend re. treasury shares	0	0	351	0	351
Acquisition of treasury shares	0	0	(51,210)	0	(51,210)
Total changes in equity in 2005/06	18,987	(4)	437,357	(23,448)	432,892
Equity at 30 September 2006	175,711	(1,217)	415,044	0	589,538

NOTES

Amounts in DKK '000						
2005/06	Asset Management ⁴⁾	Investment ⁴⁾	Wealth Management ³⁾	Development	Not allocated ¹⁾	Group total
NOTE 1. SEGMENT INFORMATION						
Revenue	1,157,290	150,409	37,390	775,243	0	2,120,332
Value adjustment, investment properties and debt, net	641,199	0	0	0	0	641,199
Gross profit	1,375,589	60,559	37,390	136,993	0	1,610,531
Profit in associates/Joint Ventures	51,259	(913)	5,749	0	0	56,095
Profit before tax	675,734	45,058	193,171	(40,926)	0	873,037
Consolidated profit						782,461
Non-current assets	11,101,682	19,912	655,561	264,433	0	12,041,588
Current assets	3,266,752	251,301	0	1,732,327	919,901	6,170,281
Segment assets	14,368,434	271,213	655,561	1,996,760	919,901	18,211,869
Of this, investments in associates	97,294	892	655,561	63	0	753,810
Segment liabilities	13,250,194	175,719	651,954	1,952,229	459,152	16,489,248
Equity	1,118,240	95,494	3,607	44,531	460,749	1,722,621
Addition of fixed assets	1,180	2,016	0	19,736	0	22,932
Depreciation	739	195	82	8,506	0	9,522
Number of employees at year-end	46	28	0	94	70	238
2004/05 ²⁾						
Revenue	472,048	120,544	0	906,064	0	1,498,656
Value adjustment, investment properties and debt, net	485,781	0	0	0	0	485,781
Gross profit	750,286	74,595	0	91,650	0	916,531
Profit in associates/Joint Ventures	(55,734)	(13,016)	0	0	0	(68,750)
Profit before tax	384,354	9,623	0	6,895	0	400,872
Consolidated profit						334,929
Non-current assets	7,903,777	4,160	0	18,226	0	7,926,163
Current assets	525,893	203,299	0	2,116,636	0	2,845,828
Segment assets	8,429,670	207,459	0	2,134,862	0	10,771,991
Of this, investments in associates	66,357	1,804	0	63	0	68,224
Segment liabilities	7,933,407	182,176	0	2,084,683	1,948	10,198,318
Equity	496,263	25,283	0	50,179	1,948	573,673
Addition of fixed assets	1,207	604	0	11,778	0	13,589
Depreciation	968	736	0	3,828	0	5,532
Number of employees at year-end	39	40	13	53	42	187

Segment information does not follow the legal structures of the Group.

¹⁾ In 2004/05, this amount consists of tax on profit for the year for jointly taxed companies in the Group which is only provided for in the Parent, and accordingly, cannot be allocated into business areas. In 2005/06, the amount i.a. includes holding of securities which cannot be allocated to the individual business areas. Furthermore, employees in internal functions who perform work for all the Group's business areas, such as finance, marketing, reception, canteen, etc., have not been allocated.

²⁾ Comparative figures for 2004/05 have been restated to reflect the change in accounting policies for recognition of on account profits on development properties. Furthermore, the allocation of revenue and gross profit between Asset Management and Development has been changed as mentioned in Notice to the Stock Exchange no. 259 of 9 August 2006.

³⁾ In 2004/05, the business area Wealth Management includes 13 employees in Keops Proviso Fondsmæglerelskab A/S. In 2005/06, this company has been sold, and the business area subsequently only comprises 33% of the assets in Capinordic A/S.

⁴⁾ Keops Group's activities within mediation of property companies on behalf of external investors in 2004/05 was included in the business area Investment, while in 2005/06, it is included in the business area Asset Management. The rental income from investment properties for the period amounts to DKK 1,111.8 million (2004/05: DKK 446.6 million). Operating expenses comprise approx. DKK 399 million relating to areas let out (2004/05: DKK 174 million) and DKK 29 million (2004/05: DKK 13 million) relating to areas not let out. Financial affairs in Denmark, Sweden and Spain are considered to be sufficiently similar to be considered one segment. In this connection, the Company has included in its assessment that the intra-group reporting is only reasoned by the business segmentation and not the geographical one.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 2. REVENUE				
Rental income	1,157,881	458,633	4,179	4,983
Sale, properties and contracts	701,877	847,553	309,966	299,240
Commission, offered projects	132,824	67,376	0	0
Advisory fees, company management	26,116	19,367	0	0
Consultancy fees	36,638	94,480	9,288	13,647
Interest and fee income	37,714	826	0	0
Other income and fees	27,282	10,421	4,939	2,214
Total revenue	2,120,332	1,498,656	328,372	320,084
NOTE 3. STAFF COSTS AND OTHER COSTS				
Remuneration of Supervisory Board	1,674	1,847	1,502	1,285
Salaries and wages	150,935	128,374	43,705	25,965
Pensions	9,341	6,660	2,973	1,378
Other social security costs	1,437	469	255	148
Other staff costs, including training	16,264	8,783	9,291	5,055
Total staff costs	179,651	146,133	57,726	33,831
Staff costs are recognised as follows in the financial statements:				
Cost of sales	80,955	44,644	0	0
Selling costs and administrative expenses	98,696	101,489	57,726	33,831
Total staff costs	179,651	146,133	57,726	33,831
Average number of employees	249	164	63	41
Number of employees at year-end	238	187	71	41

Staff costs include salary and pension for the Executive Board of DKK 25,017 thousand (2004/05: DKK 19,149 thousand). The section "Shareholder information" and note 4 include mentioning of the incentive schemes existing in Keops Group. The amount is constituted by salaries of DKK 14,543 thousand (2004/05: DKK 9,484 thousand), pensions of DKK 1,524 thousand (2004/05: DKK 1,583 thousand), retirement benefits of DKK 1,800 thousand (2004/05: 0) and bonuses of DKK of 7,150 thousand (2004/05: DKK 8,082 thousand).

NOTE 4. SHARE-BASED PAYMENT

For the purpose of motivating and retaining key employees as well as encouraging the achievement of common objectives for employees, Management and shareholders, share-based payment schemes have been established for the Group in the form of a share option scheme for members of the Executive Board and other managing employees. The schemes can only be exercised on acquisition of shares (equity-settled scheme).

	Present and former members of the Executive Board	Other managing employees	Total	Weighted average exercise price per share
	Number	Number	Number	DKK/Number
Number of options at 30 October 2004	6,100,000	1,350,000	7,450,000	3.35
Exercised	0	(400,000)	(400,000)	3.08
Ceased ¹⁾	(2,000,000)	(200,000)	(2,200,000)	3.08
Granted	400,000	600,000	1,000,000	14.61
Number of options at 30 September 2005	4,500,000	1,350,000	5,850,000	5.4
Re-established	2,000,000	75,000	2,075,000	3.08
Exercised	(2,600,000)	(657,237)	(3,257,237)	3.18
Ceased	(3,400,000)	(167,763)	(3,567,763)	5.01
Granted	0	100,000	100,000	20.7
Number of options at 30 September 2006	500,000	700,000	1,200,000	9.86

¹⁾ In the financial year, settlement has been made with a former Director and a former employee about exercise of options. The Company has recognised that the relevant options had vested and therefore could be exercised. Both persons have also exercised their options. According to the transitional rules of IFRS 1, these options have not been expensed as they were not considered vested according to IFRS 2.

In connection with the former Director's exercise of his options, Keops allowed the Director to sell 1,000,000 of the shares subscribed back to Keops at the market price at the time of subscription. The value of the sale-back right has been calculated at approx. DKK 1 million.

Exercise of options			
The financial year 2004/05	Number of shares	Strike price	Share price
22 June 2005	400,000	3.08	10.30
Total	400,000	3.08	
The financial year 2005/06	Number of shares	Strike price	Share price
17 November 2005	600,000	3.95	19.00
9 March 2006 ¹⁾	2,000,000	3.10	32.80
5 May 2006 ²⁾	582,237	2.72	32.20
12 June 2006 ¹⁾	75,000	2.58	20.30
Total	3,257,237	3.18	

1) The options were considered ceased, but re-established as part of an overall agreement.

2) A part of an option for 125,000 shares was, as part of an agreement on application of section 7H of the National Assessment Act, agreed reduced by 42,763. The reduction is included in the statement of ceased options.

Grants	
The financial year 2004/05	

In the financial year, to "other managing employees" conditional grant of options for the subscription of 600,000 shares of DKK 1 has been made. Grant is conditioned by employment at the following vesting dates and with the following strike prices:

Vesting date	Exercise date	Strike price
2 September 2007	January/June 2008 and 2009	15.44
2 September 2008	January/June 2009 and 2010	15.44
2 September 2009	January/June 2010 and 2011	15.44

The fair value has collectively been calculated at DKK 2,082,000. On calculation of the granted options' fair value at the grant date, the Black Scholes model has been applied. In the model, the following values have been assumed: volatility of 68.0%, risk-free interest rate of 3.8% and a dividend rate of 15%. Fair value is expensed until the respective last vesting date.

The financial year 2005/06

To "other managing employees" a conditional option for subscription for 100,000 shares of DKK 1 has been granted in the financial year. Grant is conditioned by employment at the following vesting dates and with the following strike prices:

Vesting date	Exercise date	Strike price
2 September 2008	January/June 2009 and 2010	20.7
2 September 2009	January/June 2010 and 2011	20.7
2 September 2010	January/June 2011 and 2012	20.7

The fair value has collectively been calculated at DKK 923,639. On calculation of the granted options' fair value at the grant date, the Black Scholes model has been applied. In the model, the following values have been assumed: volatility of 53.9%, risk-free interest of 3.6% and a dividend rate of 0.71%. Volatility has been stated as the annualised volatility of the Keops share price during the year prior to the time of agreement. Fair value is expensed until the respective last vesting date.

NOTE 4. CONTINUED. SHARE-BASED PAYMENT**List of exercise dates for options at 30 September 2005**

Option owner	Vested / not vested	Number of shares	Last exercise	Exercise price
Executive Board member	Vested	500,000	2020	1.00
Executive Board member	Vested	100,000	2013	2.22
Executive Board member	Vested	500,000	2013	4.30
Executive Board member	Not vested	400,000	2009	13.33
Executive Board member	Not vested	2,500,000	2022	4.30
Executive Board member	Not vested	500,000	2002	2.36
Total		4,500,000		
Managing employees	Vested	500,000	2006-2022	2.58
Managing employees	Vested	250,000	2005-2006	3.60
Managing employees	Not vested	600,000	2007-2009	15.46
Total		1,350,000		

List of exercise dates for options at 30 September 2006

Option owner	Vested / not vested	Number of shares	Last exercise	Exercise price
Executive Board member	Vested	500,000	2020	1.00
Total		500,000		
Managing employees	Not vested	300,000	30/6/2009	15.44
Managing employees	Not vested	200,000	30/6/2010	16.75
Managing employees	Not vested	175,000	30/6/2011	16.19
Managing employees	Not vested	25,000	30/6/2012	20.70
Total		700,000		

Not vested options

For not vested options, they will vest if the relevant employee is employed at the exercise date. Generally, the time of exercise is January or June in the relevant year of exercise.

IFRS

According to the transitional rules of IFRS 1, only options vested after 1 January 2005 are included in the income statement. These options are the same as the options stated as "not vested" in the above table.

Share option scheme

At 30 September 2006, the share option scheme comprises option for subscription for a total of 1,200,000 shares. The share options entitle to the acquisition of a total of 0.68% of the share capital of 175,710,937 shares if all options are exercised. The options are generally not to be exercised until 2007 or subsequent years. Exercise of the option is made by new subscription for shares on cash payment of the exercise price.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Share-based payment recognised in the income statement, equity-settled schemes	1,477	(2,280)	464	(1,380)

Employee shares

Based on the satisfactory performance of the Group in 2003/04 and the desire to retain and award employees for a good performance, trust shares were in February 2005 offered to all permanent staff in all 2003/04 at a price of DKK 20,500 per employee. The value of the granted options constitutes a total of DKK 1,380 thousand and has been expensed under staff costs.

All included employees accepted the offer of shares and accordingly, nominally DKK 295,424 of shares were allocated to a total of 69 employees. The shares are tied up for seven years after the grant pursuant to the law.

The employee shares were taken from the Company's holding of treasury shares, see separate statement of movement in holding of treasury shares.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 5. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING				
Total fee, Ernst & Young	0	3,932	1,186	1,652
Total fee, Deloitte	11,571	1,211	3,847	1,085
Total fee, KPMG C. Jespersen	0	748	0	252
Of this, non-audit services, Ernst & Young	0	1,500	296	641
Of this, non-audit services, Deloitte	4,371	694	2,847	568
Of this, non-audit services, KPMG C. Jespersen	0	0	0	0

Amounts in DKK '000	Keops A/S	
	2005/06	2004/05
NOTE 6. INVESTMENTS IN SUBSIDIARIES		
Cost at 1 October	250,081	171,215
Additions for the year, including costs on acquisition	66,643	100,143
Contribution of capital	192,823	9,702
Exchange adjustment	0	(1,213)
Proceeds on liquidation	(9,536)	0
Disposals for the year	(106,202)	(29,766)
Cost at 30 September	393,809	250,081
Write-down at 1 October	(86,773)	(37,451)
Reversal of write-down on liquidation	4,292	0
Reversal of write-down on	39,843	0
Write-down	(393,765)	(49,322)
Write-down at 30 September	(436,403)	(86,773)
Carrying amount at 30 September	(42,594)	163,308
Of this, set-off of negative carrying amount of receivables from subsidiaries	139,268	0
Carrying amount at 30 September	96,674	163,308

On pages 74 and 75, lists of subsidiaries in Keops Group are provided.

Changes in the assessment of the possibilities of realising the individual projects in progress in Keops Development with a gain has resulted in write-down to fair value of a total of DKK 353,922 thousand being made (2004/05: DKK 49,322 thousand). Some of these subsidiaries are expected liquidated in the subsequent financial year, and accordingly, there will be no future net cash flows apart from the expected liquidation proceeds. Write-down is made to the expected liquidation proceeds of DKK 0 (2004/05: DKK 9,479 thousand).

Write-down is recognised under "Value adjustment of subsidiaries".

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
INVESTMENTS IN ASSOCIATES/JOINT VENTURES				
Cost at 1 October	136,307	42,160	0	0
Additions for the year	652,050	4,878	652,016	0
Disposals for the year	(120,091)	(5,759)	0	0
Contribution of capital	0	95,028	0	0
Cost at 30 September	668,266	136,307	652,016	0
Write-down at 1 October	(68,083)	(15,093)	0	0
Adjustment on sale	0	5,759	0	0
Disposals for the year	99,674	0	0	0
Equity adjustments	(2,142)	0	0	0
Distribution, net	0	0	0	0
Profit for the year after tax	56,095	(58,749)	0	0
Write-down	0	0	0	0
Write-down at 30 September	85,544	(68,083)	0	0
Carrying amount at 30 September	753,810	68,224	652,016	0

	2005/06 Keops Group's share of								
	Registered in	Ownership share	Revenue	Profit for the year	Assets	Liabilities	Contributed capital	Equity	Profit for the year
SPECIFICATION OF INVESTMENTS IN ASSOCIATES/JOINT VENTURES									
Keops EjendomsObligationer I A/S ^(a)	Copenhagen	49%	49,893	85,145	1,162,347	969,571	12,500	94,460	48,457
K/S Gamlestaden Göteborg ¹⁾	Copenhagen	50%	0	(1,800)	26,878	52,075	1,615	841	(900)
Gamlestaden Göteborg ApS	Copenhagen	50%	0	(25)	126	25	125	51	(12)
Capinordic A/S ^{(a) (4) (5)}	Gentofte	33%	61,840	20,632	1,451,634	151,508	42,467	429,280	5,749
KeoSve Management AB	Sweden	30%	13,306	9,385	12,657	0	80	2,754	2,801
Keops NL Norway AB	Norway	50%	0	0	80	0	80	80	0
Udviklingselskabet af 30/8 2006 K/S	Copenhagen	50%	0	0	0	0	0	0	0
Komplementarselskabet af 30/8 2006 ApS ⁽²⁾	Copenhagen	50%	0	0	125	0	125	63	0
Profit for the year after tax									56,095
Goodwill on acquisition								226,281	0
Total								753,810	56,095

Keops EjendomsObligationer I A/S invests in properties i.a. financed by issue of property bonds.

K/S Gamlestaden Göteborg develops investor project in Joint Venture.

Gamlestaden ApS is general partner company of K/S Gamlestaden Göteborg.

Capinordic A/S is a listed, financial enterprise within investment banking.

KeoSve Management AB renders consultancy services in connection with property transactions.

Keops NL Norway AB is holding company for the Norwegian part of the Nordic Light portfolio, which was acquired on 12 October 2006.

Udviklingselskabet af 30/8 2006 K/S performs project development in Aarhus in Joint Venture.

Komplementarselskabet af 30/8 2006 ApS is general partner company of Udviklingselskabet af 30/8 2006 K/S.

2005/06 Keops A/S share of									
	Registered in	Ownership	Revenue	Profit for the year	Assets	Liabilities	Contributed capital	Equity on acquisition	Profit for the year
NOTE 6, CONTINUED. SPECIFICATION OF INVESTMENTS IN ASSOCIATES/JOINT VENTURES									
Capinordic A/S ³⁾	Gentofte	33%	61,840	20,632	1,451,634	151,508	42,467	425,672	429,280
Komplementarselskabet af 30/8 2006 ApS ²⁾	Copenhagen	50%	0	0	125	0	125	63	63
Goodwill on acquisition								226,281	
Total								652,016	

2005/06 Keops Group's share of									
	Registered in	Ownership share	Revenue	Profit for the year	Assets	Liabilities	Contributed capital	Equity	Profit for the year
SPECIFICATION OF INVESTMENTS IN ASSOCIATES/JOINT VENTURES									
Keops EjendomsObligationer I A/S	Copenhagen	49%	64,921	65,722	1,046,878	952,996	12,500	46,003	32,229
K/S RO's Torv ¹⁾	Copenhagen	50%	55,341	(105,933)	840,172	799,464	50,000	20,354	(52,967)
Roskilde CityCenter ApS	Copenhagen	50%	0	3	131	6	125	63	1
K/S Gamlestaden Göteborg ¹⁾	Copenhagen	50%	15,271	(6,029)	56,563	53,081	1,615	1,741	(3,015)
Gamlestaden Göteborg ApS	Copenhagen	50%	0	6	130	5	125	63	3
Warranty commitments re. Joint Ventures									(35,000)
Profit for the year after tax									(58,749)
Profit relating to previous financial years									2,707
Write-down									(12,708)
Total								68,224	(68,750)

¹⁾ The companies are Joint Ventures, while the other companies are associates. In 2005/06, K/S RO's Torv and Roskilde CityCenter ApS however, are wholly-owned subsidiaries. Investments in associates/Joint Ventures are measured in the Group's balance sheet according to the equity method.

²⁾ Investments in these companies are owned by the Parent, Keops A/S.

³⁾ The companies have the calendar year as their financial year.

⁴⁾ Capinordic A/S is recognised at cost at the acquisition time at a total of DKK 655,561 thousand.

⁵⁾ The market price of the investment in the listed Capinordic A/S at 30 September 2006 constitutes DKK 645,012 thousand.

⁶⁾ At 30 September 2006, Keops EjendomsObligationer I A/S has cash and cash equivalents of DKK 18,365 thousand which cannot be transferred to other companies. The company shall not distribute dividend in the terms of the property bonds.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 7. FINANCIAL INCOME				
Interest income from associates/Joint Ventures	0	3,636	24,454	12,832
Interest income from deposits in credit institutions	7,342	4,350	1,297	1,375
Yield income, bonds	9,676	0	9,676	0
Dividend and distributions from subsidiaries	0	0	41,000	0
Profits from sale of shares	187,614	10,064	194,203	5,350
Exchange gains	107,382	69,889	180	31
Other exchange gains	26,050	192,245	107,382	192,283
Other financial income	16,260	30,453	1,803	2,911
Total financial income	354,324	310,637	379,995	214,782
NOTE 8. FINANCIAL EXPENSES				
Interest expenses to associates/Joint Ventures	0	0	9,770	8,196
Interest expenses to credit institutions	631,181	396,289	120,993	214,063
Exchange losses	37,779	100,569	224	503
Other exchange losses	56,712	0	3,457	0
Other financial expenses	161,519	90,822	6,743	10,542
Total financial expenses	887,191	587,680	141,187	233,304
NOTE 9. VALUE ADJUSTMENT, INVESTMENT PROPERTIES AND DEBT, NET				
Revaluation, investment properties	531,178	571,876	0	0
Write-down, investment properties	(51,450)	(8,511)	0	0
Total revaluation and write-down	479,728	563,365	0	0
Adjustment of liabilities other than provisions and related financial instruments, gains	161,471	8,452	0	0
Adjustment of liabilities other than provisions and related financial instruments, losses	0	(86,036)	0	0
Total value adjustment	161,471	(77,584)	0	0
Value adjustment, investment properties and debt, net	641,199	485,781	0	0
NOTE 10. TAX FOR THE YEAR				
Current tax on taxable income for the year	8,792	798	0	0
Deferred tax on profit/(loss) for the year	79,380	80,331	8,445	(12,690)
Adjustment of current tax and deferred tax re. previous financial years	2,404	(15,186)	1,447	(15,186)
Tax on profit/(loss) for the year	90,576	65,943	9,892	(27,876)

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 10. TAX FOR THE YEAR, CONTINUED				
Tax on ordinary profit/(loss) can be explained as follows:				
Calculated 28% tax on ordinary profit/(loss) before tax	244,450	112,244	(3,476)	(17,297)
Change in tax rate	0	3,157	0	1,916
Effect of deviating foreign tax rate	(11,122)	0	0	0
Non-deductible write-down of properties	33,707	0	88,307	0
Non-taxable capital gain	(51,294)	0	(53,664)	0
Other non-taxable income	(218,893)	(41,231)	(23,722)	(7,443)
Other non-deductible expenses	14,716	6,959	999	10,134
Tax effect of non-capitalised losses	78,940	0	0	0
Adjustment of tax relating to previous years	72	(15,186)	1,448	(15,186)
Total tax on ordinary profit	90,576	65,943	9,892	(27,876)
Effective tax rate	10.40%	16.4%	(79.7%)	45.1%

	Keops Group	
	2005/06	2004/05
NOTE 11. EARNINGS PER SHARE		
	DKK	DKK
Earnings per share, average number of issued shares	4.77	1.70
Diluted earnings per share, average dilutive effect	4.71	1.66
Calculation of earnings per share is based on the following:		
	DKK '000	DKK '000
Profit for the Parent's shareholders applied on calculation of earnings per share	793,674	262,255
Profit effect after tax of changes in income and expenses if existing options are converted	0	0
Profit applied for calculation of diluted earnings per share	793,674	262,255
	2005/06, number	2004/05, number
Average number of shares issued	169,271,651	156,432,990
Average number of treasury shares	(2,751,625)	(2,511,418)
Number of shares applied for calculation of earnings per share	166,520,026	153,921,572
Outstanding options' average dilutive effect	2,139,203	4,097,366
Number of shares applied for calculation of diluted earnings per share	168,659,229	158,018,938

Earnings per share for shares, which are not entitled to dividend for the financial year 2005/06, corresponds to earnings per share disclosed above, as the Supervisory Board has not recommended distribution of dividend for the financial year 2005/06.

On calculation of number of shares for calculation of diluted earnings per share, options not vested have been excluded if the strike price plus the portion of fair value of the option (per share) accrued in the vesting period after the balance sheet date exceeds the average share price of the Keops share in the financial year which has been calculated at 25.52. After the balance sheet date, options for subscription of 1,135,000 shares have been issued. Outstanding options' average dilutive effect can also for these shares be calculated at 0, as the strike price of 23.00, adjusted by the fair value of 12.98 in the remaining vesting period exceeds the average share price of 25.52.

Amounts in DKK '000	Keops Group	
	2005/06	2004/05
NOTE 12. INTANGIBLE ASSETS		
Cost at 1 October	97,036	23,178
Addition on acquisition of enterprises	190,461	73,858
Disposals	(79,898)	0
Cost at 30 September	207,599	97,036
Write-down at 1 October	9,464	9,464
Write-down re. disposals	(6,040)	0
Write-down	0	0
Write-down at 30 September	3,424	9,464
Carrying amount at 30 September	204,175	87,572

The carrying amount of goodwill at 30 September 2006 is allocated into the cash-generating units Keops InvestorPartner A/S (DKK 13,714 thousand), Keops Development A/S (DKK 189,132 thousand relating to M2 A/S) and other companies (DKK 1,329 thousand).

At 30 September 2006, Management has performed impairment test of the carrying amount of goodwill. The recoverable amount of Keops InvestorPartner A/S is based on the capital value determined by application of expected cash flows on the basis of budget for 2006-2008 approved by Management and a discount factor of 12% before tax.

The recoverable amount of M2 A/S, acquired three months before the balance sheet date, is based on fair value, which has been determined by update of the budgets, prognoses and assumptions forming the basis of the acquisition of M2 A/S. The fair value has been reduced by estimated selling costs which may follow from a possible sale of the enterprise.

The impairment test did not give rise to write-down in 2005/06.

NOTES

Amounts in DKK '000	Keops Group		Keops A/S		
	2005/06	2004/05	2005/06	2004/05	
NOTE 13. PROPERTY, PLANT AND EQUIPMENT					
Cost at 1 October	7,101,074	871,926	0	0	
Exchange adjustment, rental properties, at the beginning of the year	31,326	(22,714)	0	0	
Additions incl. acquisition costs via enterprise acquisition	4,943,983	0	0	0	
Additions incl. acquisition costs on acquisition of properties	1,797,060	6,251,862	0	0	
Additions incl. other acquisition costs	59,184	0	0	0	
Disposals on sale of enterprise	0	0	0	0	
Other disposals	(812,137)	0	0	0	
Reclassified to current assets	(2,674,069)	0	0	0	
Cost at 30 September	10,446,421	7,101,074	0	0	
Revaluation at 1 October	597,245	45,015	0	0	
Exchange adjustment, foreign properties, at the beginning of the year	2,613	0	0	0	
Revaluation for the year	712,071	571,876	0	0	
Reversal of revaluation	(178,897)	(19,646)	0	0	
Reversal of revaluation on sale	(49,477)	0	0	0	
Reclassified to current assets	(554,424)	0	0	0	
Revaluation at 30 September	529,131	597,245	0	0	
Write-down at 1 October	8,511	19,646	0	0	
Exchange adjustment, foreign properties, at the beginning of the year	0	0	0	0	
Write-down for the year	60,189	8,511	0	0	
Reversal of write-down	(8,511)	(19,646)	0	0	
Reclassified to current assets	(33,176)	0	0	0	
Write-down at 30 September	27,013	8,511	0	0	
Carrying amount at 30 September	10,948,539	7,689,808	0	0	
Investment properties of the Group	Location	Carrying amount	Return requirement	Year of acquisition	Sqm
Malmstaden (residential, commercial), Keops EjendomsObligationer IV (Malmstaden)	Norrköping, Linköping, Sweden	1,009,360	7.07%	2004	232,713
Fatburen (commercial), Keops EjendomsObligationer V (Fatburen)	Stockholm, Sweden	2,028,687	5.00%	2005	47,563
Sweden (commercial), Keops EjendomsObligationer VI (Sverige)	nine large cities in Sweden	2,171,005	6.25%	2005	309,908
Sweden (research and offices), Keops EjendomsObligationer VII (Stockholm)	Stockholm, Sweden	2,410,801	6.00%	2005	155,000
Sweden (commercial), Keops EjendomsObligationer VIII (Sverige II)	57 Swedish municipalities	2,327,593	6.60%	2006	365,474
Sweden (commercial), Keops EjendomsObligationer IX (Sverige III)	South and western Sweden	7,911	-	2006	-
Keoweda (commercial)	Södertälje, Sweden	170,604	6.88%	2005	37,380
Flen/Gnesta (shops, residential and offices)	Flensta & Gnesta, Sweden	189,621	6.25%	2006	28,071
Terminalen (ferry terminal)	Helsingborg, Sweden	379,417	6.00%	2006	19,669
Borlänge (commercial)	Borlänge, Sweden	97,236	6.25%	2006	9,645
Rödeby (flats for the disabled)	Rödeby, Sweden	7,839	5.75%	2006	475
Hillerød Port (under konstruktion)	Hillerød, Denmark	148,565	N/A	2006	-
Total		10,948,539			1,205,898

The average return requirement of 6.11% (the discount factors), applied in the return-based cash flow model, is determined on the basis of assessment by external valuation expert.

Properties at a total value of DKK 3,195,317 thousand have been classified as current assets by reason of expected sale, see the presentation on page 23.

Investment properties with a carrying amount of DKK 10,948,539 thousand has been provided as security for long-term debt at 30 september 2006.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Fixtures and fittings, tools and equipment				
Cost at 1 October	37,356	25,668	17,492	8,348
Additions	22,932	13,589	5,006	9,876
Disposals	(19,235)	(1,901)	(4,657)	(732)
Cost at 30 September	41,053	37,356	17,841	17,492
Write-down and depreciation at 1 October	18,388	15,079	5,354	3,101
Depreciation	6,053	4,719	4,440	2,825
Disposals	(15,105)	(1,410)	(2,661)	(572)
Write-down and depreciation at 30 September	9,336	18,388	7,133	5,354
Carrying amount at 30 September	31,717	18,968	10,708	12,138
Of this, assets held under finance lease	4,542	6,249	3,655	4,760
Depreciated over	1-3 years	1-3 years	1-3 years	1-3 years

Depreciation of property, plant and equipment is included in the financial statement item "Selling costs and administrative expenses".

The fixtures and fittings, tools and equipment owned by the Group, are not pledged

Amounts in DKK '000	Keops Group		Keops A/S	
	Fixtures and fittings, tools and equipment			
	2005/06	2004/05	2005/06	2004/05
NOTE 13 CONTINUED. MINIMUM PAYMENTS IN DKK '000				
Minimum payments for assets held under finance lease are allocated as follows:				
Maturity within 1 year	3,021	3,306	2,134	2,558
Maturity 1-5 years	2,136	4,200	2,135	3,359
Maturity after 5 years	0	0	0	0
Total	5,157	7,506	4,269	5,917
Present value of lease payments	4,810	5,912	3,922	5,024

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 14. PROJECT HOLDINGS				
Development properties and projects at cost	820,956	728,855	71,328	167,169
On account profit on sold projects recognised as income	0	0	0	0
Other value adjustments	(97,567)	(2,275)	0	0
On account payments received	(2,600)	0	(2,600)	0
Total project holdings	720,789	726,580	68,728	167,169
Which are recognised as follows:				
Sold projects in progress	357,517	441,353	6,635	64,090
Developed properties for sale	6,103	89,518	0	35,066
Properties under development	141,969	48,817	10,027	11,248
Properties under projecting	215,200	146,892	52,066	56,765
Total project holdings	720,789	726,580	68,728	167,169
Sold projects in progress				
Development properties and projects at cost	448,197	441,353	6,635	64,090
On account profit on sold projects recognised as income	0	0	0	0
Other value adjustments	(88,080)	0	0	0
On account payments received	(2,600)	0	0	0
Total sold projects in progress	357,517	441,353	6,635	64,090
Contract work in progress				
Selling price of work performed at the balance sheet date	42,863	0	0	0
On account invoicing	0	0	0	0
On account profit on sold projects	5,782	0	0	0
	48,645	0	0	0

NOTE 15. OTHER RECEIVABLES				
Receivables relating to sold development properties	28,535	100,351	383	10,410
Receivables relating to offered property projects	23,298	37,536	2,654	222
Deposits	6,277	568	5,167	21
Prepayments	33,264	62,360	8,998	0
VAT	44,813	10,571	5,254	2,642
Derivative financial instruments	154,790	19,510	0	0
Other receivables	143,833	94,993	22,276	2,541
Total other receivables	434,810	325,889	44,732	15,836

NOTE 16. OTHER SECURITIES AND INVESTMENTS				
Bonds	459,153	1,296,810	639,403	1,297,538
Other investments, including private limited companies for resale in conn. with offer of limited partnerships	2,392	0	0	0
Total other securities and investments	461,545	1,296,810	639,403	1,297,538

	Number in thousands		Nominal value (DKK '000)	
	Change	Year-end	Change	Year-end
NOTE 17. SHARE CAPITAL				
The share capital consists of 175,710,937 shares of DKK 1. Each share has one vote, and all shares are entitled to dividend. Shares subscribed under option schemes in 2005/06, DKK 3,257 thousand, however, have priority for dividend declared for the financial year 2006/07. The share capital has been changed as follows in the past five years:				
2001/02	64,324	156,324	64,324	156,324
2002/03	0	156,324	0	156,324
2003/04	0	156,324	0	156,324
2004/05	400	156,724	400	156,724
2005/06	18,987	175,711	18,987	175,711
		Number of shares	Nominal value	% of share capital
Treasury shares		in thousands	DKK '000	at 30/9/2006
Holding at 1 October 2005		2,338	2,338	1.33%
Acquisition		1,890	1,890	1.08%
Sale		0	0	0.00%
Holding at 30 September 2006		4,228	4,228	2.41%
		Number of shares	Nominal value	% of share capital
The financial year 2005/06				
Treasury shares		in thousands	DKK '000	at 30/9/2006
Holding at 1 October 2004		2,634	2,634	1.69%
Acquisition		0	0	0.00%
Grant of shares to employees		(296)	(296)	(0.19%)
Sale		0	0	0.00%
Holding at 30 September 2005		2,338	2,338	1.50%

The closing price of the Keops share on 29 September 2006 (last trading day of the financial year) amounted to 17.80. The capital value of treasury shares at 30 September 2006 accordingly amounts to DKK 75.3 million. Acquisition price of treasury shares during the year amounts to DKK 51 million.

Keops A/S has the authorisation of the General Meeting to acquire maximum 10% of the share capital until 19 July 2007. The Supervisory Board recommends to the General Meeting that this period be prolonged until 19 July 2008. Treasury shares are i.a. acquired for the purpose of application in the incentive scheme for the Group's Executive Board and managing employees.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 18. DEFERRED TAX				
Deferred tax at 1 October	191,356	27,614	40,775	43,934
Adjustment at the beginning of the year relating to change in accounting policies, etc.	(42,723)	(10,992)	(27,609)	(2,892)
Deferred tax at 1 October according to new accounting policies	148,633	16,622	13,166	41,042
Reclassified from other provisions at the beginning of the year	0	2,812	0	0
Diviation of deferred tax recognised in value adj. in the income statement	(52,251)	0	0	0
Adjustment at the beginning of the year	(4,098)	0	1,448	0
Exchange adjustment at the beginning of the year re. foreign subsidiaries	985	(61)	0	0
Deferred tax relating to properties and companies acquired during the year	(19,578)	64,115	0	0
Deferred tax for the year	79,380	65,145	8,445	(27,876)
Deferred tax at 30 September	153,071	148,633	23,059	13,166
Deferred tax relates to:				
Intangible assets	(7,280)	0	0	0
Property, plant and equipment	1,230,683	199,327	(943)	12,722
Fixed asset investments	165	0	0	0
Project holding	42,500	14,543	41,566	10,327
Provisions	(14,002)	(5,652)	(8,620)	(7,027)
Liabilities other than provisions	8,487	23,271	15,417	53,207
Tax loss carry-forwards	(1,107,482)	(82,856)	(24,361)	(56,063)
Total deferred tax	153,071	148,633	23,059	13,166
Deferred tax is included as:				
Receivables	(93,355)	(57,380)	0	0
Liabilities other than provisions	246,426	206,013	23,059	13,166
	153,071	148,633	23,059	13,166

Recognised tax loss carry-forwards, can be carried forward indefinitely. Further to this, the Group has unrecognised losses for carry-forward of DKK 66,959 thousand (2004/05 DKK 0). These losses can be carried forward for 5 to 15 years.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 19. OTHER PROVISIONS				
Warranty commitments on sold properties at 1 October	30,788	16,431	16,368	11,275
Applied during the year	(8,884)	(8,752)	(4,044)	(8,054)
Reversed warranty commitments	(7,055)	(353)	(941)	(353)
Provision for the year	21,926	23,462	3,699	13,500
Warranty commitments on sold properties at 30 September	36,775	30,788	15,082	16,368
Provisions at 1 October	11,676	5,675	0	0
Applied during the year	(1,346)	0	(1,148)	0
Reclassified	(192)	(2,811)	(192)	0
Provision for the year	100,190	8,812	10,563	0
Provisions at 30 September	110,328	11,676	9,223	0
Provisions at 30 September	147,103	42,464	24,305	16,368
The time of maturity for provisions is expected to be:				
0-1 years	68,340	13,061	16,046	7,152
1-5 years	78,763	29,403	8,259	9,216
More than 5 years	0	0	0	0
Provisions at 30 September	147,103	42,464	24,305	16,368

The total provisions of DKK 110,328 thousand primarily comprise provision relating to rental and return guarantees as well as other indemnities in connection with sale of properties. Further to these, an amount relating to an ongoing lawsuit has been provided for coverage of costs and potential damages. The provisions have been calculated as the discounted value of the most likely outcome of the ongoing lawsuits.

Amounts in DKK '000			Keops Group			
			Redemption yield		Carrying amount	
NOTE 20. MORTGAGE DEBT, BOND DEBT AND DEBT TO OTHER CREDIT INSTITUTIONS						
Loan	Expiry	Fixed/floating	2005/06	2004/05	2005/06	2004/05
Liability re. development activities recognised at amortised cost						
DKK	Less than 1 year	Fixed	3.63% - 10.00%	4.18% - 10.00%	1,247,171	1,223,860
DKK	Less than 1 year	Floating	2.59% - 6.44%	2.59% - 6.44%	668,071	590,678
DKK	1-5 years	Fixed	5.40%	4.15% - 12.50%	78,991	176,097
DKK	1-5 years	Floating		2.59% - 5.00%	0	915
DKK	More than 5 years	Fixed		4.18% - 6.10%	0	21,896
DKK	More than 5 years	Floating		2.59% - 3.58%	0	1,716
Total nominal remaining debt					1,994,233	2,015,162
Liability re. investment properties recognised at fair value						
DKK/SEK	Less than 1 year	Fixed	3.60% - 8.50%	3.50% - 10.00%	1,288,575	133,760
DKK/SEK	Less than 1 year	Floating	3.51% - 6.53%	2.60% - 5.40%	2,125,191	51,771
DKK/SEK	1-5 years	Fixed	3.60% - 4.50%	3.50% - 4.00%	6,446,156	3,559,233
DKK/SEK	1-5 years	Floating	3.19% - 6.00%	2.60% - 5.40%	1,685,010	2,146,745
DKK/SEK	More than 5 years	Fixed	3.00% - 9.30%	6.00% - 9.00%	1,357,221	1,137,998
DKK/SEK	More than 5 years	Floating			-	-
Total nominal remaining debt					12,902,153	7,029,507
Price adjustment to fair value					57,665	105,297
Carrying amount					12,959,818	7,134,804
Total					14,954,051	9,149,966

Floating-rate loans for which the interest rate is hedged by interest swap are included in the above table as fixed-rate loans.

Floating-rate loans with a carrying amount of DKK 2,593,751 thousand (2004/05 DKK 2,062,537 thousand) have been hedged by interest caps with a total interest cap of 3.57%-4.75% (2004/05: 3.53%-4.75%).

In connection with taking out loans in large property portfolios, the normal conditions on loans not exceeding a fixed share of the property portfolio's market value (loan to value) as well as of the ratio of the operating profit and interest expenses (interest cover ratio) apply. These conditions have been met for all loans.

Amounts in DKK '000			Keops A/S			
			Redemption yield		Carrying amount	
Loan	Expiry	Fixed/floating	2005/06	2004/05	2005/06	2004/05
Liability re. development activities recognised at amortised cost						
DKK	Less than 1 year	Fixed	6.35% - 10.00%	7.75% - 8.50%	1,016,100	1,140,073
DKK	Less than 1 year	Floating	3.16% - 6.44%	4.25% - 6.44%	338,229	205,902
DKK	1-5 years	Fixed	5.40%	12.50%	78,991	99,538
DKK	1-5 years	Floating	-	4.50%	0	692
DKK	More than 5 years	Fixed	-	-	0	0
DKK	More than 5 years	Floating	-	-	0	0
Total nominal remaining debt					1,433,320	1,446,205
Liability re. investment properties recognised at fair value						
Total					1,433,320	1,446,205

The above loans at fair value in the Group include the following bond loans:

Name, year of expiry and coupon rate	2005/06			2004/05		
	Nominal DKK '000	Redemption on expiry		Nominal DKK '000	Redemption on expiry	
		Price	Amount		Price	Amount
Keops EjendomsObligationer III 2011, 8.5%	60,000	100	60,000	60,000	100	60,000
Keops EjendomsObligationer III 2014, 9%	140,000	100	140,000	140,000	100	140,000
Keops EjendomsObligationer IV 2010, 8%				75,000	100	75,000
Keops EjendomsObligationer IV 2014, 9%				162,000	100	162,000
Keops EjendomsObligationer IV 2011, 9%				50,000	100	50,000
Keops EjendomsObligationer IV 2014, 10%				108,000	100	108,000
Keops EjendomsObligationer V 2012, 6%	100,000	100	100,000	100,000	100	100,000
Keops EjendomsObligationer V 2015, 7%	120,000	115	138,000	120,000	115	138,000
Keops EjendomsObligationer VI 2012, 7%	60,000	110	66,000	60,000	110	66,000
Keops EjendomsObligationer VI 2015, 7%	263,000	135	355,050	263,000	135	355,050
Keops EjendomsObligationer VII 2012, 7%	70,000	100	70,000			
Keops EjendomsObligationer VII 2015, 7%	410,000	125	512,500			
Keops EjendomsObligationer VIII 2016, 8%	410,000	120	492,000			
	1,633,000		1,933,550	1,138,000		1,254,050

Keops EjendomsObligationer III has been reclassified to short-term debt as the bonds are expected redeemed if sale of the properties is executed as expected. The majority of the underlying senior financing in investment properties carries floating rates of interest for which financial instruments (interest swap and interest cap) have been taken out to prevent potential increase in interest rates. Consequently, the loans have been classified as fixed-rate loans.

The carrying amount of financial assets and liabilities measured at amortised cost does not deviate considerably from the fair value of these assets and liabilities, as they have short terms.

NOTE 20. MORTGAGE DEBT, BOND DEBT AND DEBT TO OTHER CREDIT INSTITUTIONS

Keops Group measures debt relating to investment properties at fair value, see IAS 39 ("The Fair Value Option"), as approved by the EU.

This method is applied to prevent "accounting mismatch" between measurement of investment properties and related financial debt instruments. If investment properties and the related debt are not both measured at fair value, this will mean an inconsistent recognition of profit and loss on these assets and liabilities. Measurement of both investment properties and the related debt at fair value provides more relevant information on the annual report. A concrete financial link exists between the factors forming the basis of the determination of investment properties and the debt.

Changes in the fair value of debt may have been caused both by changes in market conditions and by changes in the Group's own conditions, such as credit risk.

Wherever possible, hedges are taken out against changes in market conditions, e.g. interest rate fluctuations in the Group's long-term liabilities, by contracting for interest caps and/or interest swaps, with the same term to maturity as the underlying bank financing. In this way, the interest on floating-rate loans is fixed. As a result, changes in the market rate will have a positive or negative effect on the value of investment properties and debt instruments, including derivative financial instruments, as a natural hedge. The changes in fair values of the derivative financial instruments are not taken to equity as the changes would not thereby appear as natural hedge.

The effect cannot be measured

Keops Group's property portfolio companies have raised external bank financing and bond financing on a non-recourse basis. This means that the Parent (Keops A/S) of Keops Group is not legally liable for the liabilities of the individual companies. A change in Keops Group's overall rating is generally not expected to affect the credit risk in each property portfolio company.

Therefore, total adjustments of debt at fair value, as disclosed in notes 9 and 20, are solely attributable to market-related conditions, such as interest rate level, cash flows from underlying properties and the property values.

INTEREST RISKS, ETC., AS WELL AS APPLICATION OF DERIVATIVE FINANCIAL INSTRUMENTS**The Group's risk management policy**

It is Group policy not to enter into speculative financial business. Derivative financial instruments are applied for hedge of financial risks in relation to the Group's risk management policy. Please also refer to the mentioning of risk management on page 30.

Currency risks

The main part of the Group's investment properties is located in Sweden. As the main part of the financing of the properties is taken out in SEK, any change in the exchange rate of SEK will only to a limited extent influence the Group's results and financial position. Further to this, the Group only has limited receivables or liabilities other than provisions in foreign currencies. Consequently, no hedging is made of the Group's net currency positions.

Interest risks

In connection with acquisition of investment properties, significant interest risks in the Group's bank financing, which typically has terms of 5 to 10 years, are hedged by entering into interest caps or interest swaps with the same terms as the underlying bank financing, and listed Property Bonds are issued with fixed coupon in the term of the bond and a redemption price fixed in advance. For the Group's investment properties, where financing is made after the end of the original bank financing, etc., the interest risk will be normal in connection with the inception of refinancing agreement.

Credit risks

The Group's credit risks relate to primary financial assets. Credit risks related to financial assets correspond to the values recognised in the balance sheet.

The Group's receivables concerning property projects are basically secured by security in the underlying investment shares. The Group's most significant receivable from a single debtor constitutes DKK 148 million which represents 19% of the carrying amount of receivables. Apart from this, there are no significant concentrations of credit risks.

The credit risk of cash and financial instruments (interest swap and interest cap) is limited as the Group only trades with highly credit-rated banks.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 21. SECURITY AND CONTINGENT LIABILITIES				
Security				
The project holding in the Group amounts to DKK 720,789 thousand (2004/2005: DKK 726,580 thousand). Carrying amount of remaining debt to credit institutions which have granted construction credit or mortgage loans constitutes:	440,100	608,482		168,236
Carrying amount of investment properties provided as security for long-term debt at 30 September 2006 are:	10,948,539	7,689,808		

Investment properties in which mortgage/security has been provided cannot be sold without agreement from mortgage and credit institutions. Furthermore, in relation to the individual property portfolios, requirements exist that funds on sale of properties be tied in the property portfolio, and that on sale exceeding 20-25% of the property portfolio, listed bonds are to be redeemed.

In relation to bridge financing of offered projects, the Group has guaranteed a total of DKK 1,787 million, of which DKK 1,367 million has been applied at 30 September 2006 (guarantees in 2004/05: DKK 645 million). The remaining liability for indemnities relating to sold shares in property projects amounts to DKK 1 million as last year.

The Parent has mortgage share certificates in subsidiaries in relation to financing of the companies' commitments.

Operating lease commitments

For the years 2005/06 - 2014/15, operating leases have been concluded on lease of offices and cars. Leases have been concluded for a minimum of 3-10 years with fixed lease payments, which are indexed annually.

The total future minimum lease payments according to the interminable leases are allocated as follows:

Amounts in DKK '000	Keops-koncernen		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Within 1 year from the balance sheet date	13.278	10.336	11.695	10.336
Between 1 and 5 years from the balance sheet date	44.818	41.342	42.901	41.342
After 5 years from the balance sheet date	34.198	43.926	34.198	43.926
	92.294	95.604	88.794	95.604
Minimum lease payments recognised in the income statement for the year	10.336	7.752	10.336	7.752

Contingent liabilities

The Parent has guaranteed the subsidiary group M2 A/S, which is owned by 60%. The total liability constitutes DKK 105 million at 30 September 2006.

As a part of normal business, Parent and subsidiaries have assumed rental and return guarantees in connection with sale of certain properties. Management believes that these guarantees will not affect the Group's financial position apart from the liabilities recognised in the balance sheet at 30 September 2006.

The Parent and subsidiaries are jointly taxed. As such, the companies are to a certain extent jointly liable for the taxes relating to the joint taxation. As last year, the Parent has issued personal guarantee to a number of subsidiaries.

Other guarantees issued for third parties' debt amount to DKK 37 million (2004/05: DKK 44 million). Apart from these, the Group has no contingent liabilities apart from what is considered normal for a group in this business.

The Group is party to a few ongoing lawsuits. Management believes that these lawsuits will not affect the financial position of the Group apart from the liabilities included in the balance sheet at 30 September 2006.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 22. CLOSE-DOWN OF COMPANY OUTSIDE KEOPS' CONTROL				
Income statement				
As stated in the financial review, a company outside Keops' control is being closed down, which Keops in its present form is not liable for, and which accordingly is completely insignificant for creditors and shareholders. Income statement and balance sheet for the separated parts which have not been included in Keops' income statement and balance sheets have, for formal reasons, been shown below.				
Interest income	276	246	438	463
Other income	75	2,204	75	2,204
Income	351	2,450	513	2,667
Operating expenses	(652)	(989)	(412)	(710)
Losses and loss reservations	0	0	0	0
Operating profit	(301)	1,461	101	1,957
Profit in subsidiaries	0	0	(402)	(496)
Profit before extraordinary items	(301)	1,461	(301)	1,461
Composition adjustment	301	(1,461)	301	(1,461)
Profit before tax	0	0	0	0
Tax on profit for the year	0	0	0	0
Profit for the year	0	0	0	0

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Balance sheet				
Investments in subsidiaries	0	0	3,957	4,359
Receivables in subsidiaries	0	0	3,849	7,838
Other receivables	281	2,031	80	1,880
Cash	7,692	12,143	2	2
Total assets	7,973	14,174	7,888	14,079
Other provisions	1,180	1,200	1,180	1,200
Other credit institutions	6,343	12,166	6,343	12,166
Trade payables	450	808	365	713
Other payables	0	0	0	0
Total equity and liabilities	7,973	14,174	7,888	14,079

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 23. ADJUSTMENT OF CASH FLOWS FROM PROFIT FOR THE YEAR				
Depreciation	6,053	5,532	4,440	2,842
Gain on sale of property, plant and equipment	(244)	(441)	66	(400)
Profit/(loss) from associates/Joint Ventures	(56,095)	68,750	0	0
Value adjustments of subsidiaries	0	0	353,922	4,537
Deviation, on account profits on contract work in progress	(5,782)	0	0	0
Value adjustments, investment properties, net	(641,199)	(485,782)	0	0
Gain on sale of investment properties	(33,892)	0	0	0
Exchange adjustments	(16,163)	0	0	0
Financial income	(354,324)	(110,637)	(379,995)	(22,537)
Financial expenses	887,191	387,680	141,187	32,401
Other adjustments	(59,954)	34,324	1,466	1,141
Total adjustments	274,409	(100,574)	121,086	17,984
NOTE 24. WORKING CAPITAL CHANGES				
Changes, project holdings	107,961	239,751	98,441	198,412
Changes, sale of properties and services	(154,313)	20,856	146,696	(97,802)
Changes, other receivables	(104,214)	(189,030)	(611,293)	(1,297,538)
Changes, work in progress	(48,645)	0	0	0
Changes, trade payables	41,897	25,470	(9,218)	(4,452)
Changes, other liabilities other than provisions	84,898	525,619	(230,263)	253,687
Changes, deposits	26,908	(3,433)	(1,703)	(1,402)
Changes, provisions	104,639	0	7,932	0
Total working capital changes	59,131	619,233	(892,795)	(949,095)

NOTE 25: ACQUISITION AND SALE OF SUBSIDIARIES AND ACTIVITIES**Information about acquisition of enterprise**

Since 1 October 2005, the Group has acquired the below property portfolios which are classified as enterprise acquisition according to IFRS 3. In the financial year, the Group has not acquired property portfolios classified as enterprise acquisitions.

The financial year 2005/06						
	Primary activity	Ownership share	Date of acquisition	Cost, DKK '000	Consolidated profit before tax, DKK '000	
Keops EjendomsObligationer VII (Stockholm) A/S	Research, teaching and offices, Stockholm	100%	1/12/2005	2,373,539	106,911	
Keops EjendomsObligationer VIII (Sverige II) A/S	Commercial properties in 57 Swedish municipalities	100%	4/1/2006	2,303,631	28,886	
Borgs	Shopping centre and residences, Norrköping	100%	8/11/2005	330,700	53,579	
Acquisition after 30/9-2006						
Nordic Light	Office properties in Norway, Sweden and Finland	100%	12/10/2006	1,578,003		
Keops EjendomsObligationer IX AB	Offices, storage facilities and industrial facilities, southern and western Sweden	100%	1/11/2006	5,434,879		

NOTE 25: CONTINUED. COU ACQUISITION AND SALE OF SUBSIDIARIES AND ACTIVITIES

In the financial year 2005/06, the Group has acquired 60% of the shares in the standard house firm, M2 A/S, see below. In the financial year 2004/05, the Group acquired 100% of the capital in Proviso Fondsmæglerelskab A/S.

The financial year 2005/06

	Primary activity	Ownership share	Date of acquisition	Cost, DKK '000	Consolidated profit after tax, DKK '000
M2 A/S	Project development of houses and recreational dwellings	60%	4/7/2006	151,156	(15,269)

2005/06 DKK '000	Keops EjendomsObligationer VII (Stockholm) A/S	Keops EjendomsObligationer VIII (Sverige II) A/S	Borgs
	Value on acquisition	Value on acquisition	Value on acquisition
Investment properties	2,373,539	2,303,631	330,700
Total acquisition price	2,373,539	2,303,631	330,700

After the balance sheet date 30/9-06, DKK '000	Nordic Light	Keops EjendomsObligationer IX AB
Assets and liabilities acquired, property portfolios	Value on acquisition	Value on acquisition
Investment properties	1,578,003	5,434,879
Total acquisition price*	1,578,003	5,434,879

* Acquisition price includes Keops' fee

Cost includes acquisition costs of a total of DKK 127,968 thousand which primarily comprise fees for advisors as well as stamp costs. Of the total cost is DKK 4,806,648 thousand settled in cash. As the investment properties have primarily been acquired via newly established companies, Keops did not have access to financial data before the acquisition. Accordingly, the total revenue and profit as if the property had been acquired at the beginning of the year and the carrying amounts according to IFRS immediately before the acquisition are not disclosed.

For Keops EjendomsObligationer IX AB, during the acquisition process, 18 properties were identified which are subject to environmental examinations. If the acquirer and Keops do not agree on the necessary measures to be taken before 1 November 2009, the acquirer is entitled to sell the relevant properties back to Keops, however, with a reduction in price corresponding to 10% of the allocated value at 1 November 2006. If the estimated clearance costs exceed 50% of the allocated value at 1 November 2006, the vendor is entitled to instead reacquire the property at the allocated value at 1 November 2006.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Assets and liabilities acquired, other acquisitions				
Leasehold improvements	14,169	290	0	0
Development properties	98,750	0	0	0
Receivables	97,386	0	0	0
Other securities	1,067	0	0	0
Deferred tax	0	13,040	0	0
Cash	0	24,828	0	0
Short-term liabilities other than provisions	(225,419)	(1,283)	0	0
Other liabilities other than provisions	(23,929)	(10,899)	0	0
Total net assets	(37,976)	25,976	0	0
Goodwill	189,132	73,562	0	0
Acquisition price	151,156	99,538	0	0
Of this, cash taken over	0	(24,828)	0	0
	151,156	74,710	0	0

Cost includes acquisition costs of a total of DKK 1,156 thousand which primarily comprise fees for advisors as well as stamp costs. DKK 51,033 thousand has been settled in cash. The remaining portion of cost is conditioned by achieving determined results in the company and will not be paid until these results have been achieved.

The consolidated profit includes minority interests by 40%.

As the enterprise, M2 A/S, has not formerly presented financial statements according to IFRS, revenue and profit as if the company had been acquired at the beginning of the year and the carrying amount according to IFRS immediately before the acquisition have not been disclosed.

Sales of enterprises

In the financial year, the Group has sold the shares in the subsidiary, Proviso Fondsmæglerelskab A/S, which is contributed in Capinordic A/S. In this connection, Capinordic A/S became an associate.

The sold assets and liabilities can be specified as follows:

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Goodwill	73,562	0	0	0
Securities	19,507	0	0	0
Other assets	27,739	0	0	0
Cash	13,665	0	0	0
Current tax liabilities	(11,431)	0	0	0
Other liabilities	(8,379)	0	0	0
Carrying amount of sold net assets	114,663	0	0	0
Gain on sale	273,494	0	0	0
Elimination	(90,303)	0	0	0
Selling price	297,854	0	0	0
Sold cash	(13,665)	0	0	0
Cash flow effect, net	(13,665)	0	0	0

Significant non-cash transactions in the financial year 2005/06

In connection with Keops' acquisition of 13,247,692 shares in the associate Capinordic A/S, the full share capital in the subsidiary Proviso Fondsmæglerelskab A/S has been applied as payment. The selling price of Proviso Fondsmæglerelskab A/S, and thereby the acquisition price of the shares in Capinordic A/S, has been calculated based on the price of the Capinordic share on the the Copenhagen Stock Exchange on the date at which the last condition obstructing the acquisition lapsed, which corresponds to DKK 388 million.

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
NOTE 26. CASH				
Cash holding	48	3	5	3
Deposits in banks at free disposal	65,090	57,412	7,752	3,423
Deposits in banks, investment properties ¹⁾	339,780	155,747	0	0
Deposits in banks, deposited ²⁾	612,388	191,556	32,230	84,308
Total holdings	1,017,306	404,718	39,987	87,734

¹⁾ Deposits i.a. include prepaid rent which is released successively over the following rental period. The cash flows cannot immediately be transferred to other Keops companies.

²⁾ Deposits 2005/06 primarily constitutes deposits relating to sale in the Malmstaden portfolio. The amount is to be applied for redemption of mortgage debt in the portfolio.

NOTE 27. RELATED PARTIES

The following are considered related parties:

Subsidiaries/Associates/Joint Ventures: See company details on pages 74-75

Management: This category includes members of the Supervisory and Executive Boards of Keops A/S and companies controlled by such members.

Related parties with controlling influence appear from Shareholder information on page 39.

Transactions with related parties

In the financial year and recent financial years, the following transactions were carried out between Keops A/S and related parties:

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Management				
Sale of K/S shares (asset total)	475,968	338,964		
Sale of Property Bonds	18,491	138,802		
Sale of services	311	242		
Sale of properties	50,868	28,844		
Guarantees	29,299	0	29,299	0
Commission for guarantees	7	0	7	0
Loans - principal	87,500	10,000	81,000	10,000
Loans - remaining debt	72,500	10,000	66,000	10,000
Interest	2,853	33	2,632	33
Joint Ventures				
Outstanding accounts				
- interest income	0	6,059	0	6,059
- interest expenses	0	0	0	0
- receivables	0	124,113	0	124,113
- payables	0	0	0	0
Construction management fees	0	8,911	0	0
In 2004/05, Joint Ventures consisted of K/S RO's Torv. In 2005/06, this is a wholly-owned subsidiary, and accordingly, no figures are disclosed.				
Associates				
Management fee	463	448	-	-

Services consist of supply of management services for a Supervisory Board member and companies controlled by the said Supervisory Board member. During the financial year, no losses on receivables in related parties or write-down for such losses have been seen. Trade with related parties has been conducted at market terms, i.e. at the Group's normal selling prices, or, if such price cannot be stated, at the market price based on the price of comparable services supplied by third parties. Further to these, in the financial year, the following intra-group trading was seen:

Amounts in DKK '000	Keops Group		Keops A/S	
	2005/06	2004/05	2005/06	2004/05
Subsidiaries				
Sale of properties	-	-	0	5,774
Intra-group accounts				
- interest income	-	-	24,454	6,773
- interest expenses	-	-	9,770	8,196
- receivables	-	-	726,774	178,612
- payables	-	-	152,704	153,246
Allocation of Group expenses	-	-	89,391	48,942
Construction management fees	-	-	40,954	45,546
Commission	-	-	10,450	0

A market maker agreement has been concluded between Keops A/S and GP Børsrådgivningselskab A/S/Capinordic Bank A/S, by which Capinordic Bank A/S ensures that acquisition and selling prices are currently made in the Keops share.

Intra-group receivables and payables carry interest of 5%

Remuneration of Supervisory and Executive Boards

Please refer to notes 3 and 4 for information about remuneration of the Group's Supervisory and Executive Boards.

Subsidiaries in Keops Group				
Name	Registered in	Central Business Registration no.	Ownership share	
Keops InvestorPartner A/S	Copenhagen	13 84 83 94	100%	
InvestorLeasing A/S	Copenhagen	15 27 42 71	100%	
IP Invest A/S in liquidation	Copenhagen	19 67 20 93	100%	
Ejendomsselskabet Sydhavns Plads 12 ApS in liquidation	Copenhagen	21 02 95 48	100%	
Oslo Plads 5, København, 2002 ApS	Copenhagen	26 91 82 43	100%	
K/S High Row, Darlington in liquidation	Copenhagen	26 43 65 08	100%	
K/S Alekärsgatan 8 & 12, Göteborg	Charlottenlund	26 25 64 88	100%	
Alekärsgatan 8 & 12, Göteborg ApS	Copenhagen	26 25 65 50	100%	
K/S Humlebækcentret, Humlebæk in liquidation	Copenhagen	26 49 15 76	100%	
Humlebækcentret, 2002 ApS in liquidation	Copenhagen	26 49 13 71	100%	
Keops Development A/S	Copenhagen	18 87 76 00	100%	
Hovedstadens Entreprenørskab ApS in liquidation	Copenhagen	20 14 06 31	100%	
EjendomsObligationsselskabet A/S	Copenhagen	20 55 85 04	100%	
Keops Bolig A/S	Copenhagen	20 03 02 08	100%	
Ejendomsselskabet Vallensbækvej 18 ApS	Copenhagen	20 72 56 72	100%	
Ejendomsaktieselskabet Sdr. Ringvej 35, Glostrup in liquidation	Copenhagen	13 89 56 94	100%	
VH Invest ApS	Copenhagen	19 81 13 79	100%	
K/S Købmagergade 19	Copenhagen	21 03 33 32	100%	
Købmagergade 19, 1998 ApS	Copenhagen	20 55 85 47	100%	
Hovedstadens Finansieringsinstitut A/S	Copenhagen	32 56 93 15	100%	
InvestorPartner A/S Forvaltningsselskab	Copenhagen	12 42 47 01	100%	
Inner Circle ApS	Copenhagen	27 45 44 10	100%	
K/S Øresundsgården 2 in liquidation	Copenhagen	25 45 56 06	100%	
Øresundsgården 2, 2002 ApS	Copenhagen	25 39 56 70	100%	
K/S Sejroegade 14, København	Copenhagen	21 75 68 73	100%	
Sejroegade 14, 2000 ApS	Copenhagen	21 42 22 74	100%	
K/S Østergade 13, København	Copenhagen	25 67 03 29	100%	
Østergade 13, 2000 ApS	Copenhagen	25 59 86 87	100%	
K/S Silkeborg Torvecenter	Copenhagen	26 13 63 93	100%	
Silkeborg Torvecenter, 2001 ApS	Copenhagen	26 12 86 76	100%	
K/S GL Køge Landevej 78, Valby	Copenhagen	10 06 10 67	100%	
Gl. Køge Landevej 78, 2000 ApS	Copenhagen	25 81 02 44	100%	
K/S Hillerødport	Copenhagen	28 28 66 51	100%	
Hillerødport, 2004 ApS	Copenhagen	25 92 42 66	100%	
K/S City Motion, Silkeborg	Copenhagen	25 80 79 01	100%	
City Motion, 2001 ApS	Copenhagen	25 78 93 85	100%	
K/S Falkonergården, Frederiksberg	Copenhagen	26 91 72 71	100%	
Falkonergården, Frederiksberg, 2002 ApS	Copenhagen	26 91 72 20	100%	
K/S Jenriksbakke, Frederikssund	Copenhagen	27 01 16 67	100%	
Jenriksbakke, Frederikssund, 2002 ApS	Copenhagen	27 01 16 40	100%	
K/S Fjordstokkene, Holbæk	Copenhagen	27 01 17 80	100%	
Fjordstokkene, Holbæk 2003 ApS	Copenhagen	27 01 17 64	100%	
K/S Hannemans Alle, København	Copenhagen	26 36 58 48	100%	
Hannemans Alle, 2001 ApS	Copenhagen	26 36 50 66	100%	
K/S Fægtegården in liquidation	Copenhagen	26 49 15 68	100%	
Fægtegården, 2003 ApS	Copenhagen	26 49 12 90	100%	
K/S Pakhuset, Holbæk	Copenhagen	27 50 44 26	100%	
Pakhuset, Holbæk, 2004 ApS	Copenhagen	27 50 44 34	100%	
K/S Dokhuset, Holbæk	Copenhagen	27 70 24 06	100%	
Dokhuset, Holbæk, 2004 ApS	Copenhagen	25 59 87 84	100%	
K/S Vejerhuset, Holbæk	Copenhagen	27 72 96 22	100%	
Vejerhuset, Holbæk 2004 ApS	Copenhagen	26 76 50 72	100%	
Sæddinge Centret B ApS	Copenhagen	19 65 90 89	100%	
K/S Sædding Centret B	Skanderborg	20 40 95 09	100%	
K/S RO's Torv	Copenhagen	25 62 67 88	100%	
Roskilde CityCenter ApS	Copenhagen	10 04 24 10	100%	
Mediagateway II A/S (supsequently changed to Keops Real Estate A/S)	Århus	21 26 40 83	100%	
Keops EjendomsHolding A/S	Copenhagen	27 24 16 11	100%	
Keops EjendomsObligationer III (PBA) A/S	Copenhagen	27 67 93 31	100%	
Fastighetsbolaget PBA AB	Sweden		100%	
PBA Karlskrona, Malmö AB	Sweden		100%	
PBA Kalmar AB	Sweden		100%	
Keops EjendomsObligationer IV (Malmstaden) A/S	Copenhagen	21 20 01 31	100%	
Keops EjendomsObligationer IV AB	Sweden		100%	
Keops EjendomsObligationer V (Fatburen) A/S	Copenhagen	28 48 82 70	100%	
Keops EjendomsObligationer V AB	Sweden		100%	
Keops EjendomsObligationer VI (Sverige) A/S	Copenhagen	28 71 02 40	100%	
Keops EjendomsObligationer VI AB	Sweden		100%	
Keops EjendomsObligationer VII (Stockholm) A/S	Copenhagen	29 13 61 30	100%	
Keops EjendomsObligationer VII AB	Sweden		100%	
Keops EjendomsObligationer VIII (Sverige II) A/S	Copenhagen	29 21 33 64	100%	
Keops EjendomsObligationer VIII AB	Sweden		100%	
Keops EjendomsObligationer IX (Sverige III) A/S	Copenhagen	29 60 49 24	100%	
Keops EjendomsObligationer IX AB	Sweden		100%	
Keoterra AB-koncernen	Sweden		100%	
MediaGateway A/S	Copenhagen	10 02 71 28	100%	
K/S Mølle dammen	Copenhagen	26 25 64 45	100%	
Mølle dammen, 2004 ApS	Copenhagen	26 25 65 26	100%	
Keosüdergaranti AB	Sweden		100%	

Subsidiaries in Keops Group				
Name	Registered in	Central Business Registration no.	Ownership share	
Söderweda ApS	Copenhagen	28 31 06 92	100%	
Keops Sverige AB	Sweden		100%	
Borgs Holding A/S	Copenhagen	10 02 71 28	100%	
Keosöder II AB	Sweden		100%	
Keodomino Fastigheter	Sweden		100%	
OSSV ApS	Copenhagen	25 26 86 52	100%	
Kanonbådsskur nr. 5 ApS	Copenhagen	20 62 62 91	100%	
Proviso Fondsmæglerselskab A/S	Copenhagen	26 60 90 54	100%	
K/S Trekronergade 88-94, Valby	Copenhagen	28 29 58 63	100%	
Trekronergade 88-94, Valby ApS	Copenhagen	28 29 42 55	100%	
Trekronergade 88-94, Valby ApS	Copenhagen	28 29 42 55	100%	
K/S Kanalstrædet 8-16, Holbæk 2005 ApS	Copenhagen	29 16 85 55	100%	
Kanalstrædet ApS	Copenhagen	29 16 93 49	100%	
K/S Langagergård, Greve	Copenhagen	29 16 88 22	100%	
Langagergård, Greve 2005 ApS	Copenhagen	29 16 93 65	100%	
K/S Slangstrupgade 42A-B, Hillerød	Copenhagen	29 16 88 30	100%	
Slangstrupgade 42A-B, Hillerød ApS	Copenhagen	29 16 93 22	100%	
K/S Ankerhusene, Holbæk	Copenhagen	28 67 80 02	100%	
Ankerhusene, Holbæk ApS	Copenhagen	28 67 99 12	100%	
K/S Molehusene, Holbæk	Copenhagen	28 67 79 95	100%	
Molehusene, Holbæk 2005 ApS	Copenhagen	28 67 91 14	100%	
K/S Laurentsvej 14-16, Bagsværd	Copenhagen	29 19 87 56	100%	
Laurentsvej 14-16, Bagsværd 2005 ApS	Copenhagen	29 20 25 75	100%	
K/S Hovedgaden 27A, Birkerød	Copenhagen	29 19 94 42	100%	
Hovedgaden 27A, Birkerød 2005 ApS	Copenhagen	29 19 98 76	100%	
K/S Toftvej 5, Birkerød	Copenhagen	29 19 94 34	100%	
Toftvej 5, Birkerød 2005 ApS	Copenhagen	29 19 96 39	100%	
K/S Vesterport, Odense	Copenhagen	29 41 27 82	100%	
Vesterport, Odense 2006 ApS	Copenhagen	29 40 63 32	100%	
K/S 1000	Copenhagen	29 24 53 47	100%	
K/S 1002 (subsequently changed to K/S Strandstræde 5, Holbæk)	Copenhagen	29 79 21 27	100%	
IP 1000 ApS	Copenhagen	29 24 50 10	100%	
IP 1002 ApS (subsequently changed to Strandstræde 5, Holbæk 2006)	Copenhagen	28 66 39 19	100%	
K/S 1003 (subsequently changed to K/S Næstved Kaserne)	Copenhagen	29 92 27 64	100%	
IP 1003 ApS (subsequently changed to Næstved Kaserne 2006 ApS)	Copenhagen	29 92 05 16	100%	
Ejd.selskabet Hedegårdene ApS	Copenhagen	25 05 83 80	100%	
K/S RO's Torv	Copenhagen	25 62 67 88	100%	
Roskilde CityCenter ApS	Copenhagen	10 04 24 10	100%	
Inner Circle ApS	Copenhagen	27 45 44 10	100%	
K/S Raakan Karlskoga	Copenhagen	28 28 51 40	100%	
Raakan Karlskoga ApS	Copenhagen	28 28 51 40	100%	
K/S København, Korsør	Copenhagen	27 72 23 77	100%	
København Korsør ApS	Copenhagen	27 72 23 50	100%	
K/S Gl. Skagensvej, Frederikshavn	Copenhagen	28 29 58 47	100%	
Gl. Skagensvej ApS	Copenhagen	28 29 40 50	100%	
K/S Knutby, Norrtälje	Copenhagen	28 28 06 02	100%	
Knutby, Norrtälje ApS	Copenhagen	28 28 06 37	100%	
K/S Rugvænget 8, Grenaa	Copenhagen	27 72 17 02	100%	
Rugvænget 8, Grenaa ApS	Copenhagen	27 72 17 02	100%	
K/S Strandlodsvej 59, København	Copenhagen	28 29 57 66	100%	
Strandlodsvej 59, København ApS	Copenhagen	28 29 36 66	100%	
K/S Tysk Ejendomsinvest XI	Copenhagen	15 96 47 07	100%	
Tysk Ejendomsadministration XI ApS	Copenhagen	14 81 44 77	100%	
Keops Estate S.L.	Malaga		100%	
Keops Enlak Insaat Veticaret A.S.	Istanbul		100%	

Subsidiaries with minority shares				
Name	Registered in	Central Business Registration no.	Ownership share	
Keops Development S.L.	Spain		67%	
Bahia Fenicia S.L.	Spain		67%	
M2 A/S	Århus	27 29 63 86	60%	

Associates				
Name	Registered in	Central Business Registration no.	Ownership share	
Keops EjendomsObligationer I A/S	Copenhagen	27 24 16 54	49%	
Keops Security A/S	Copenhagen	27 35 20 57	49%	
Ejendomsselskabet August 2003 A/S	Copenhagen	27 37 97 53	49%	
Capinordic A/S	Gentofte	13 25 53 42	33%	
Udviklingselskabet af 30/8 2006 K/S	Copenhagen	29 16 80 40	50%	
Komplementarselskabet af 30/8 2006 ApS	Copenhagen	29 16 83 93	50%	
Keops NL Norway AB	Norway	-	50%	

Joint Venture companies				
Name	Registered in	Central Business Registration no.	Ownership share	
K/S Göteborg, Gamlestaden I	Copenhagen	26 25 64 61	50%	
Göteborg, Gamlestaden ApS	Copenhagen	26 25 65 34	50%	

Companies outside Keops' control				
Name	Registered in	Central Business Registration no.	Ownership share	
EPA Afvikling A/S	Århus	20 17 32 97	100%	
Oviedo Shipping Co. Ltd.	Cyprus		100%	

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