



Annual report 2007

ei invest properties – Berlin I GmbH & Co. KG





ei invest properties Berlin I GmbH & Co KG

- Bond secured on property portfolio, consisting of 21 property complexes including approx. 4.400 units – primarily residential units – located in Germanys capital, Berlin.
- Represents a strong investment model with bond offerings for investors looking for a supplement to traditional property investment.
- Opens up the property investment market to private as well as institutional investors.
- Listed on OMX Nordic Exchange on 1st December 2005.

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Management review

Development in finances

In 2007 ei invest properties – Berlin I GmbH & Co. KG earned a profit for the year of TEUR 29,927. To the satisfaction of the board, the result exceeds the expectations for 2007.

The company has revalued the property in 2007. The valuation is based on an external valuation. As a result the property has been valued at TEUR 180.000 as per 31st December 2007 resulting in a revaluation of the property of TEUR 30,854 in 2007.

The total rent in 2007 increased by TEUR 185, which is higher than the budgeted increase of TEUR 171. This means that the rent in 2007 has increased by EUR 0.07 per m² per month, or 1.7 % in 2007 compared to 2006 and by 0.36 per m² per month or 9.2 % since the acquisition of the portfolio ultimo 2005.

The vacancy rate for the total portfolio is 5.65 % on December 2007. The average vacancy rate for the total portfolio in 2007 has been 5.43 %. The board considers the vacancy rates as unsatisfactory for the portfolio even though the current vacancy rate is acceptable compared to the general residential market in Berlin. The vacancy rate is higher than expected in Prospectus of 23rd November 2005 (hereafter referred to as the Prospectus).

Vacancy rate:

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

The vacancy rate for 2007 has increased compared to 2006. The board of directors, therefore, sees the reduction of the vacancy rate as the primary objective for 2008. A number of new initiatives have been launched during the 4th Quarter of 2007, which the board believes will result in a significant reduction in the vacancy rate for 2008.

The interest rate levels for 2007 have been higher compared to 2006. The result for 2007 has been negatively effected by the increased interest rates as the company's junior loan of EUR 34,503,000

has a floating interest rate. The senior loan and the bond loan have a fixed interest rate of 4.00 % for the senior loan and 8.00 % for Tranche I and 9.00 % for Tranche II of the bond loans.

Development in activity

The portfolio consists of the same properties since the acquisition of the portfolio. Partners as the property management and the financial company administrator etc., are continuously optimizing the portfolio through different initiatives. Below are some of the initiatives made in 2007 described in more detail.

In May and June 2007 the property management team and the financial company administration team made a tour of the property. The purpose of the tour is to give all parties a detailed insight in the portfolio and to optimize the cooperation between the property management and financial company administration.

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

For the financial year 2007, maintenance expenses are in total TEUR 1.138 which is slightly lower than the budget on TEUR 1.200. Every individual maintenance works that exceeds TEUR 1, is sent to the financial company administrator for acceptance before beginning of the maintenance works.

In 2007 the property management GSW have hived down the daughter company BWG, who continues the property management in Berlin. The changes have improved the cooperation and lead to a number of new initiatives, especially concerning the reduction of vacancy.

Events after the balance sheet date

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

Outlook for 2008

ei invest properties – Berlin I GmbH & Co. KG's budget for 2008, which is part of the Prospectus, is based on expectations that the present growth in the German economy is maintained in 2008 with a high employment in consequence. Price and interest levels are in broad outline presupposed steady, even though a minor decrease in interest rates is expected. The board expects to be able to reduce vacancy and increase the rent levels, even though the German economy is heading towards a more unpredictable situation in 2008.

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

The board of directors expects approx. TEUR 189 in rent increase in 2008, which is higher than the expectations in the Prospectus. The rent increase will result in a higher gross rent than originally budgeted in the Prospectus. The board of directors expects the result before value adjustments of the financial year 2008 to be TEUR 100.

Outlook for 2008 is forward looking and is based on current expectations of future events and is as such subject to risk and uncertainties. This may cause actual results to differ material from expectations.



HEADLINES 2007

- Profit of the year exceeds expectations for 2007
- Rent increase by TEUR 185
- Average vacancy rate of 5.43%

BOARD OF DIRECTORS

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



Danish translation of Management review

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

LEDELSESBERETNING

Økonomisk udvikling

ei invest properties – Berlin I GmbH & Co. KG's resultat for regnskabsåret 2007 er et overskud på TEUR 29,927. Resultatet er højere end forventet, og bestyrelsen finder resultatet tilfredsstillende.

ei invest properties – Berlin I GmbH & Co. KG har i 2007 indhentet en ekstern værdiansættelse af ejendomsporteføljen, hvilket har resulteret i en værdiansættelse på TEUR 180.000 pr. den 31. december 2007. Den nye værdi medfører en opskrivning af ejendommene på TEUR 30,854 i 2007.

De samlede lejeforhøjelser i 2007 udgør TEUR 185, hvilket er højere end de forventede TEUR 171 ifølge budgettet. Dette betyder, at lejeindtægten fra boligudlejning i 2007 er steget EUR 0,07 pr. m² pr. måned, eller 1,7 % i forhold til 2006 og 0,36 pr. m² pr. måned eller 9,2% siden anskaffelsen af porteføljen ultimo 2005.

Ledighedsprocenten for den samlede portefølje er 5,65 % pr. 31. december 2007. Den gennemsnitlige ledighedsprocent for den samlede portefølje har i 2007 været 5,43 %. Bestyrelsen anser ikke ledighedsprocenten som værende tilfredsstillende, trods det faktum, at ledighedsprocenten er acceptabel sammenlignet med det generelle marked for boligudlejning i Berlin. Ledighedsprocenten er højere end forventet ifølge Prospekt af 23. november 2005 (herefter benævnt Prospekt).

Ledighedsprocent:

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

Ledighedsprocenten for 2007 er steget sammenlignet med 2006. Bestyrelsen finder derfor, at reduktion af ledighedsprocenten er hovedmålet for 2008. Flere tiltag for reduktion af ledighedsprocenten er allerede blevet iværksat i 4. kvartal af 2007, og bestyrelsen forventer, at disse vil resultere i en markant nedgang af tomgangen i 2008.

Renteniveauet i 2007 er steget i forhold til 2006. Resultatet for 2007 er derfor påvirket i negativ retning grundet det stigende renteniveau, eftersom selskabets junior lån på EUR 34.503.000 er et variabelt forrentet lån. Seniorlånet og obligationslånet har begge en fast rente, henholdsvis 4% for senior lånet og 8% for Tranche I og 9% for Tranche II på obligationslånet.

Udvikling i aktivitet

Ejendomsporteføljens sammensætning er uændret siden anskaffelsen ultimo 2005. Samarbejdspartnere som ejendomsadministrator og selskabsadministrator m.fl., optimerer løbende ejendomsporteføljen gennem forskellige initiativer. Eksempler på sådanne initiativer gennemført i 2007 er nedenstående beskrevet yderligere.

Selskabsadministrator deltog sammen med ejendomsadministrator i en to-dags ejendoms besigtigelsestur i maj og juni 2007. Formålet med besigtigelsesturen er at give alle en detaljeret indsigt i ejendomsporteføljen samt yderligere at forbedre samarbejdet mellem selskabsadministrator og ejendomsadministrator.

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

Selskabet har i regnskabsåret 2007 afholdt TEUR 1.138 til vedligeholdelsesomkostninger, hvilket er lavere end forventet i budget, som var TEUR 1.200. Hvert enkelt vedligeholdelsesarbejde som overstiger TEUR 1, sendes til godkendelse hos selskabsadministrator, før vedligeholdelsesarbejdet påbegyndes.

I 2007 har administrator GSW udspaltet datterselskabet BWG, der fortsætter administrationen i Berlin. Samarbejdet er styrket og der er introduceret nye tiltag, specielt hvad angår reduktion af ledighedsprocenten.

Begivenheder efter regnskabsårets afslutning

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

Forventet udvikling 2008

ei invest properties – Berlin I GmbH & Co. KG.'s budget for 2008, som indgår i Prospektet, er baseret på en forventning om, at den nuværende vækst i tysk økonomi opretholdes i 2008 med en høj beskæftigelse til følge. Pris- og renteniveauet forudsættes i store træk stabilt, om end der forventes en mindre rentefald i løbet af året. Bestyrelsen forventer at kunne reducere ledighedsprocenten og øge lejeniveauet, selvom tysk økonomi bevæger sig mod en mere uforudsigelig situation i 2008.

Selskabets finansieringsstruktur, som primært består af 10-årig fastforrentet (4,00 %) senior lån på TEUR 90.000, medvirker til, at det forventede fald i den variable rente alene påvirker selskabets junior lån.

Bestyrelsen forventer lejestigninger i 2008 på TEUR 189, hvilket er højere end forventninger i Prospekt, mens lejeforhøjelser vil resultere i en højere lejeindtægt end budgetteret i Prospekt. Bestyrelsen vurderer, at årets resultat før værdireguleringer for 2008 vil være TEUR 100.

Forventninger til 2008 bygger på nuværende forventninger til fremtidige forhold, og er derfor udsat for risiko og usikkerheder. Dette kan medføre aktuelle resultater som kan afvige væsentligt fra forventningerne.



HOVEDPUNKTER 2007

- Årets resultat overstiger forventninger til 2007
- Lejeforhøjelser på TEUR 185
- Gennemsnitlig ledighedsprocent på 5,43%

BESTYRELSEN

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

Financial highlights

EUR 1,000	2007	2006	2005
KEY FIGURES	12 MONTHS	12 MONTHS	2 MONTHS
Income statement			
Rental income	11,075	10,988	1,757
Fair value adjustment on investment property	30,854	49	4,476
Operation profit	37,697	7,401	5,814
Net financials	(7,770)	(7,308)	(1,076)
Net profit for the year	29,927	93	4,738
Balance sheet			
Investment property	180,000	149,000	149,000
Equity	36,768	6,841	6,748
Total assets	182,121	150,766	156,571
Ratios			
Return on assets	18.0%	0.1%	3.0%
Return on equity	137.3%	1.4%	70.2%
Equity to debt ratio	22.1%	4.5%	4.3%
Stock exchange related key figures			
8% ei invest Berlin I 2017			
Price per 31 st December	111.0	111.5	104.0
Price at issuing 1 st December 2005	100.0	100.0	100.0
9% ei invest Berlin I 2017			
Price per 31 st December	104.0	110.0	104.0
Price at issuing 1 st December 2005	100.0	100.0	100.0

Portfolio information

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

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

The average vacancy rate for the total portfolio in 2007 has been 5,43 % based on the rental income. This level is considered low in comparison with the general vacancy in residential units in Berlin.

The characteristics of the portfolio besides the above are:

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

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

PROPERTY OVERVIEW

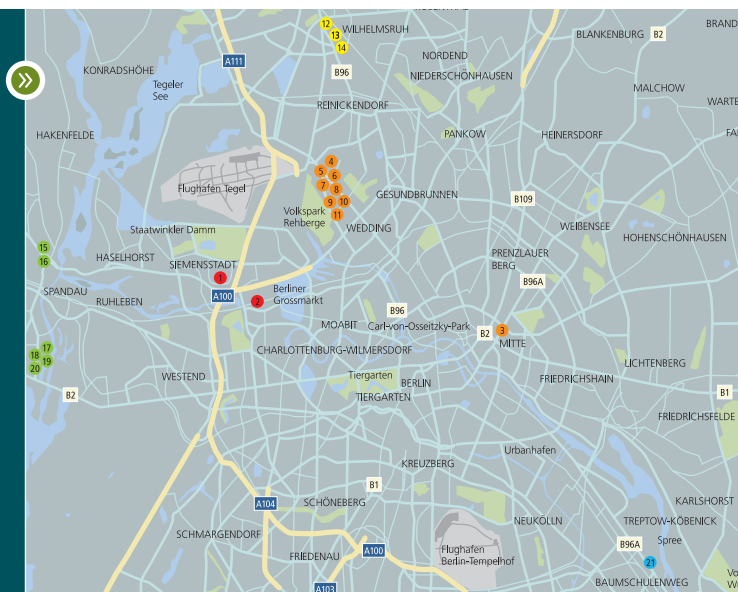
Charlottenburg-Wilmersdorf:
Property complex no. 1-2

Mitte:
Property complex no. 3-11

Reinickendorf:
Property complex no. 12-14

Spandau:
Property complex no. 15-20

Treptow-Köpenick:
Property complex no. 21





NUMBER OF UNITS	566
POPULATION	308,000
RENTAL AREA, M ²	23,852
ANNUAL RENT, EUR 1,000	1,290

CHARLOTTENBURG-WILMERSDORF

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

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

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

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





NUMBER OF UNITS	1,171
POPULATION	316,000
RENTAL AREA, M ²	53,444
ANNUAL RENT, EUR 1,000	3,162

MITTE

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

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

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

1990's, and for example, it houses today the German Parliament and the German Government.

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

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





NUMBER OF UNITS	599
POPULATION	246,000
RENTAL AREA, M ²	30,785
ANNUAL RENT, EUR 1,000	1,280

REINICKENDORF

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

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

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

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





NUMBER OF UNITS	1,737
POPULATION	218,000
RENTAL AREA, M ²	106,239
ANNUAL RENT, EUR 1,000	5,199

SPANDAU

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

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

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

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

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





NUMBER OF UNITS	357
POPULATION	232,000
RENTAL AREA, M ²	15,720
ANNUAL RENT, EUR 1,000	966

TREPTOW-KÖPENICK

The district Treptow-Köpenick is located approximately 8-12 kilometres southeast of the centre in the former East Berlin. Treptow-Köpenick consists of 15 former districts in the south-eastern Berlin and covers an area of 168 km² with 232,000 inhabitants.

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

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

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

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



Group structure

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

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

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

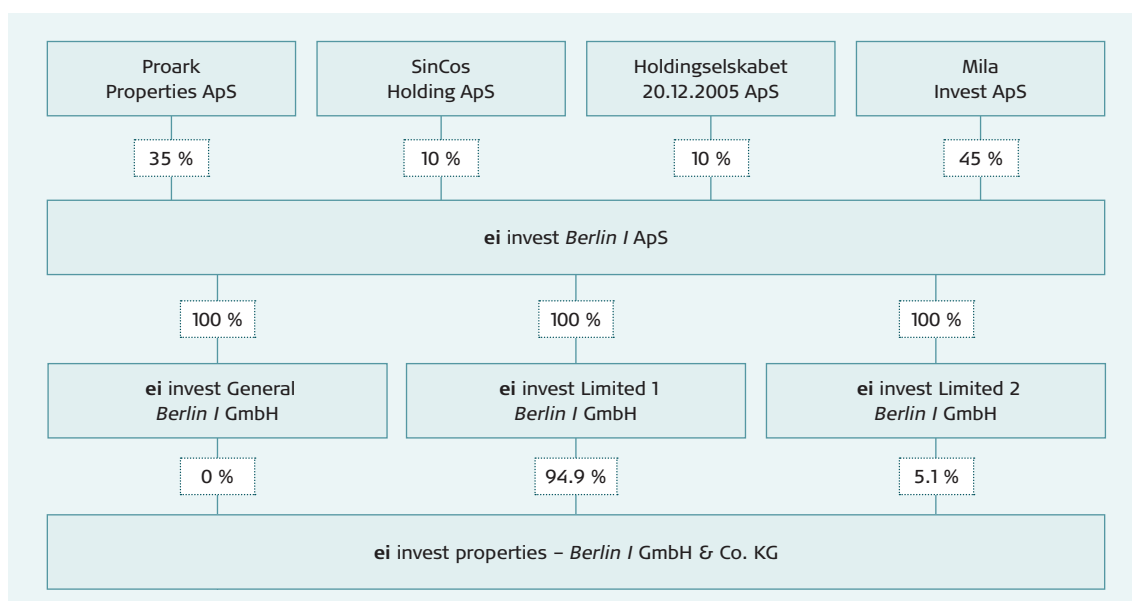
ei invest properties – Berlin I GmbH & Co. KG acquired the property portfolio in one transaction from the former owner GSW. **ei invest properties – Berlin I GmbH & Co. KG** has not before the acquisition of the portfolio had any other commercial activities. The sole activity of **ei invest properties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

Potential conflicting interests

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

Advisor and administration

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



Invest has advised ei invest properties – Berlin I GmbH & Co. KG in connection with the acquisition of the portfolio plus the establishment of the total financing of the portfolio.

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

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

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

EjendomsInvest, which is one of the main companies in the Proark Group, was established in 1987 and is now operating in Germany, Sweden, Finland, England, Holland, France and Denmark. The 105 employees secure and manage real estate investments for companies as well as high value private investors, who prefer investment projects in properties, tenants, finance, management etc. organised in limited partnerships or limited companies.

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

The board of directors



Michael Kaa Andersen

Chairman since 2005

DATE OF BIRTH:

6th January 1957

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

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



Lars Thylander

DATE OF BIRTH:

11th August 1962

PROFESSION: CEO, Thylander Group.

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



Kurt Petersen

DATE OF BIRTH:

30th January 1961

PROFESSION: Finance director, EjendomsInvest and Proark Group.

POSITION OF TRUST: Board member in several companies in Proark Group, among these Ejendomsselskabet Mercur A/S, Ejendomsselskabet Odin A/S, K/S Snekkersten Hotel & Spa.

Risk elements

Control of specific risks

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

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

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

Macroeconomic risks

Macroeconomic risks, which relates to possible changes in the general development in overall national economical elements, among these primarily interest- and currency issues. These are addressed by ei invest properties – Berlin I GmbH & Co. KG en-

tering a fixed-interest 10 years bullet loan. Furthermore, the seniorloan and juniorloan are raised in EUR, and in this way assets and liabilities, beside the bond loan, which is in DKK, are in the same currency.

Property specific risks

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



RISK INFLUENCING

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

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

Other risks than above mentioned may arise.

Financing risks

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

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

Company related risks

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

Political-legal risks

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



Bond terms

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

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

ISIN code and capital position

ei invest Berlin I 8 % bonds are listed on OMX Nordic Exchange under the symbol "8eiBerlin17" and the ISIN code is DK0030015474.

ei invest Berlin I 9 % bonds are listed on OMX Nordic Exchange under the symbol "9eiBerlin17" and the ISIN code is DK0030015557.

The bonds consist of total nominal:

DKK 100,000,000 8 % ei invest Berlin I and
DKK 50,000,000 9 % ei invest Berlin I
– corresponding to total nominal DKK 150,000,000.
The bonds are issued in denomination of nominal DKK 10,000 with third preferred mortgage in a portfolio consisting of 21 property complexes located in Berlin in Germany.

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

Development in listing price

ei invest Berlin I 8 % ended the year 2007 at price 111.0 according to OMX Nordic Exchange, which is a decrease of 0.5 price points compared to the beginning of 2007.

ei invest Berlin I 9 % ended the year 2007 at price 104.0 according to OMX Nordic Exchange, which is a decrease of 6 price points compared to the beginning of 2007.

Trading with the bonds are marked by the actual supply- and demand situation, which in 2007 has been marked by relatively low liquidity, which again has an impact on the fixing of the listed price. In the period from the listing to the expiry date ei invest properties – Berlin I GmbH & Co. KG is not able to guarantee that the price on the bonds established on OMX Nordic Exchange corresponds to asked price nor the redemption price.

Bond redemption

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

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

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

Right to premature redemption

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

Redemption notice at premature redemption

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

Purchase of the bonds

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

De-registration

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

Investor relations

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

Due to the moderate volume traded, ei invest Berlin I will make efforts to develop the knowledge of the

bonds. Through open and accessible information ei invest Berlin I will continue to develop the dialogue with existing and potential investors plus other partners.

Information regarding ei invest Berlin I is also available on www.eiinvest.dk. Stock market announcements, press releases etc., will also be published on this website. Furthermore interested parties should register for ei invest's e-mail news service and automatically receive stock market announcements, interim reports, press releases and other information (only in Danish language).

Bond bank

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



INVESTOR RELATIONS

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

Solveig Rannje
Director

ei invest management
Noerre Soegade 35
DK-1370 Copenhagen K

Phone: +45 70 23 13 03
e-mail: invest@eiinvest.dk



Special Servicer

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

The bond owner's creditor- and mortgage authorities can in this way only be performed by the Special Servicer. No individual bond owner is entitled to carry out steps to collect its receivable regarding the bonds. The Special Servicer is authorized to, latest at the issuing of the bonds, with the exclusive privilege of, to command over the mortgage on behalf of the bond owners. See also annex 3 in the Prospectus, "Special Servicer agreement", which is a integrated part of the bond terms.

Payment of interests

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

Tranche I:nominal 8 % p.a.

Tranche II:nominal 9 % p.a.

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

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

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

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

Statement by the board of directors on the annual report

We have today presented the annual report of ei invest properties – Berlin I GmbH & Co. KG for the financial year 1st of January to 31st of December 2007.

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

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

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

Copenhagen, 31st of March 2008

Michael Kaa Andersen
(Chairman)

Lars Thylander
(Vice-chairman)

Kurt Petersen

Independent Auditors' Report

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

We have audited the Annual Report of ei invest properties - Berlin I GmbH & Co. KG for the financial year ended 31 December 2007, which comprises the Statement of the Board of Directors on the Annual Report, the Management's Review, accounting policies, the income statement, balance sheet, statement of changes in equity, cash flow statement for the year then ended and notes for the Company. The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for companies that have issued listed bonds.

The Board of Directors' Responsibility for the Annual Report

The Board of Directors are responsible for the preparation and fair presentation of this Annual Report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for companies that have issued listed bonds. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Basis of Opinion

Our responsibility is to express an opinion on this Annual Report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor 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 the Board of Directors, as well as evaluating the overall presentation of the Annual Report.

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

Qualification

As stated in note 1, no fair market value evaluation of investment property was performed in 2006 which, in our opinion, is not in accordance with International Financial Reporting Standards as adopted by the EU. At 31 December 2007 a fair market value evaluation of investment property was performed, and a fair value adjustment of investment property in the amount of EUR 30,854 thousand was recognised in the income statement for 2007. The effect of the fair value adjustment on investment property that has been recognised in the income statement for 2007 equals the aggregate fair value adjustments for 2006 and 2007. This is not in line with International Financial Reporting Standards as adopted by the EU as only the effect

for 2007 is to be recognised in the income statement for 2007. We are unable to quantify the effect on the Annual Report.

Opinion

In our opinion, except for the effect on the Annual Report of the matter referred to in the preceding paragraph, the Annual Report gives a true and fair view of the Company's financial position at 31 December 2007 and of the results of the Company's operations and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for Annual Reports of listed companies.

Copenhagen, 31 March 2008

Ernst & Young

Statsautoriseret Revisionsaktieselskab

Peter Hertz

State Authorised Public Accountant

Henrik Reedtz

State Authorised Public Accountant

Accounting policies

Accounting policies

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

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

All standards and interpretations effective as of 31st December 2007 have been applied. The accounting policies adopted are consistent with those of the previous financial year except as follows:

- IFRS 7: Financial Instruments: Disclosures.
This standard requires disclosures that enable users of the annual report to evaluate the significance of the company's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the annual report.
- IAS 1: Presentation of Financial Statements.
This amendment requires the company to make new disclosures to enable users of the annual report to evaluate the company's objectives, policies and processes for managing capital. These new disclosures are shown in Note 15.

The application of the above standards will not influence the financial position or results but solely cause additional information in the notes.

The following standards, which will be effective 1st January 2009, have not been included in the report:

- IFRS 8: Operating Segments.
- IAS 1: Presentation of Financial Statements – revised.

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

Recognition and measurement

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

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

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

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

Foreign currency translation

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

On initial recognition, foreign currency transactions are translated applying the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated using the exchange rate on the balance sheet date. Exchange differences that arise between the rate on the transaction date and the

one in effect on the payment date or the rate on the balance sheet date are recognised in the income statement as financial income or financial expenses.

Rental income

Rental income from tenant's is measured in the income statement for the period the income concerns. Tenant's contributions of operating costs are set off in the property expenses.

Property expenses

Property expenses include expenses directly attributable to the operating of the properties, among these repair and maintenance, electricity, heating, property taxes, insurance, caretaker etc. in the scope that these expenses are covered by the tenants.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration.

Fair value adjustment on investment property

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

Financial items

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

Income tax

Tax is charged to the owner's ei invest Limited 1 – Berlin I GmbH and ei invest Limited 2 – Berlin I, GmbH and is settled by the owners.

Investment property

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

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

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

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

Receivables

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

Prepayments

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

Equity

Reserve for market value adjustments

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

Deferred and payable tax

Deferred and payable tax is recognised at the level of the owners ei invest Limited 1 – Berlin I GmbH and ei invest Limited 2 – Berlin I, GmbH.

Financial liabilities

Mortgage to credit institutions and banks plus bond debt are measured as the received proceed at loan

rising after deduction of paid transaction costs. Interest-bearing debt is subsequently measured at amortised costs.

Other liabilities

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

Deferred income

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

Cashflow statement

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

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

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

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

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

Key figures

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

KEY FIGURES

Return on assets: $\frac{\text{Net profit/loss for the year} \times 100}{\text{Average assets}}$

Return on equity: $\frac{\text{Net profit/loss} \times 100}{\text{Average equity}}$

Equity to debt ratio: $\frac{\text{Equity} \times 100}{\text{Average liabilities and equity}}$

Income statement

01 January - 31 December 2007

EUR 1,000	2007	2006
Note		
Rental income	11,075	10,988
Property expenses	(1,550)	(1,188)
Gross profit before value adjustments	9,525	9,800
1 Fair value adjustment on investment property	30,854	49
Gross profit	40,379	9,849
2 Administrative expenses	(2,682)	(2,448)
Operation profit	37,697	7,401
3 Financial income	42	23
4 Financial expenses	(7,812)	(7,331)
Pre tax profit	29,927	93
5 Tax on the profit for the financial year	0	0
Net profit	29,927	93
Attributable to:		
Capital Holders	29,927	93

Balance

Assets / Equity and liabilities 31 December

EUR 1,000		2007	2006
Note	ASSETS		
	Non-current assets		
6	Investment property	180,000	149,000
	Tangible assets total	180,000	149,000
	Non-current assets total	180,000	149,000
	Current assets		
	Accounts receivable, rent	385	347
	Other receivables	147	121
	Cash and Cash equivalents	1,589	1,298
	Current assets total	2,121	1,766
	Assets total	182,121	150,766
Note	EQUITY AND LIABILITIES		
	Equity		
7	Capital	2,010	2,010
	Reserve for fair value adjustment	35,379	4,525
	Retained earnings	(621)	306
	Equity total	36,768	6,841
	Non-current liabilities		
8	Mortgage and bank debt	123,741	124,417
9	Bond debt	17,239	16,950
	Non-current liabilities total	140,980	141,367
	Current liabilities		
	Trade creditors	1,000	288
8	Mortgage and bank debt	686	0
10	Other bank debt	1,408	765
	Accrued expenses	0	0
11	Other payables	1,279	1,505
	Current liabilities total	4,373	2,558
	Liabilities total	145,353	143,925
	Total equity and liabilities	182,121	150,766
12	Accounting estimates		
13	Financial commitments		
14	Related parties		
15	Financial exposure risk management and objectives		

Statement of changes in equity

EUR 1,000	Statement of changes in equity			2007
01 JANUARY-31 DECEMBER 2007				
	Capital	Reserve for value adjustment	Retained earnings	Total
Equity 1 January 2007	2,010	4,525	306	6,841
Net profit for the year	0	30,854	(927)	29,927
Total income for the year	0	30,854	(927)	29,927
Equity at 31 December 2007	2,010	35,379	(621)	36,768

EUR 1,000	Statement of changes in equity			2006
01 JANUARY-31 DECEMBER 2006				
	Capital	Reserve for value adjustment	Retained earnings	Total
Equity at 31 December 2005 as reported in the annual report 2005	2,010	106	193	2,309
Net effect of changes in accounting policies	0	4,332	0	4,332
Corrections to prior year	0	38	69	107
Equity 1 January 2006 after the above adjustments	2,010	4,476	262	6,748
Net profit for the year	0	49	44	93
Total income for the year	0	49	44	93
Equity at 31 December 2006	2,010	4,525	306	6,841

Cashflow statement

01 January - 31 December 2007

EUR 1,000	2007	2006
Note		
Cashflow from operations		
16 Paid from tenants	11,037	10,926
17 Paid out to suppliers etc.	(3,741)	(4,099)
Cashflow from operations before net interest	7,296	6,827
18 Interest income etc.	38	23
19 Interest expense etc.	(7,541)	(7,112)
Cashflow from operations	(207)	(262)
Cashflow from investment activities		
Acquisition, investment properties (adjustments)	(146)	(9,409)
Cashflow from investment	(146)	(9,409)
Cashflow from financing activities		
Instalments on long-term liabilities	0	3,024
Expenses, raising of long-term liabilities	0	25
Instalments on short-term liabilities	644	765
Cashflow from financing activities	644	3,814
Net change in cash and cash equivalents	291	(5,857)
Cash and cash equivalents, beginning of period	1,298	7,155
Cash and cash equivalents, ending of period	1,589	1,298

Notes

EUR 1,000	2007	2006
Note		
1 FAIR VALUE ADJUSTMENT ON INVESTMENT PROPERTY		
Investment properties	30,854	49
No fair market value evaluation of investment property was performed in 2006. The fair market value adjustment on investment property recognised in 2007 (TEUR 30,854) consists of the fair market value adjustment from 1 st January 2006 to 31 st December 2007.		
2 ADMINISTRATIVE EXPENSES		
Portfolio management fee	(1,057)	(1,060)
Audit fee	(87)	(72)
Other administrative expenses	(1,538)	(1,316)
Total	(2,682)	(2,448)
The company has no employees. No fees were paid to the board of directors.		
Audit fee specification:		
Audit	(52)	(54)
Other services	(35)	(18)
Total	(87)	(72)
3 FINANCIAL INCOME		
Other interest earned	40	23
Unrealized exchange profit	2	0
Total	42	23
4 FINANCIAL EXPENSES		
Interest expenses, mortgage and bank debt	(7,510)	(7,069)
Amortization finance expenses	(301)	(249)
Unrealized exchange loss	0	(12)
Other financial expenses	(1)	(1)
Total	(7,812)	(7,331)
5 TAX ON THE PROFIT FOR THE FINANCIAL YEAR		
Tax is charged to the owners ei invest Limited 1 – Berlin I GmbH and ei invest Limited 2 – Berlin I GmbH and tax is settled by the owners.		

Notes

EUR 1,000	2007	2006
Note		
6 INVESTMENT PROPERTY		
Costs		
Balance at 1 st January	144,475	144,524
Additions (adjustments to acquisition expenses)	146	0
Disposals	0	(49)
Costs at 31st December	144,621	144,475
Revaluations		
Revaluations at 1st January	4,525	4,476
Revaluations this year	30,854	49
Revaluations at 31st December	35,379	4,525
Carrying amount at 31st December	180,000	149,000
An external evaluation was performed in 2007 using the company Engel & Völkers.		
7 CAPITAL		
Balance at 1 st January	2,010	2,010
Contributed Capital	0	0
Balance at 31st December	2,010	2,010
The contributed capital is not divided into classes.		

EUR 1,000						2007	2006
Note							
8 MORTGAGE AND BANK DEBT							
Loan	Currency	End	Fixed/ floating	Effective interest	Nominal value		
Seniorloan	EUR	2015	Fixed/	4.00%	90,000	90,000	90,000
Juniorloan	EUR	2015	Floating	6.57%	34,503	34,503	34,503
Total mortgage and bank debt, nominal value						124,503	124,503
Expenses, net						(76)	(86)
Total mortgage and bank debt 31st December						124,427	124,417
<p>The effective interest rate for the seniorloan for the first two years is 4.15 % and from there on 4.00 % to the loan expires in 2015.</p> <p>Of the juniorloan EUR 686 will mature within one year.</p> <p>Term to maturity is 8 years.</p>							
9 BOND DEBT							
Loan	Currency	End	Fixed/ floating	Effective interest	Nominal value		
ei invest Berlin	DKK	2017	Fixed	8.00%	13,411	13,411	13,412
ei invest Berlin	DKK	2017	Fixed	9.00%	6,705	6,705	6,706
Total bond loan, nominal value						20,116	20,118
Finance expense incl. provision premium bonds						(2,877)	(3,168)
Total bond debt						17,239	16,950
Term to maturity on bond debt is 10 years.							
10 OTHER BANK DEBT							
The company has no additional credit facilities besides the TEUR 1,408 that has currently been used.							
31 st December 2006 the company had unused credit facilities of TEUR 3,235.							
11 OTHER PAYABLES							
Interest						914	944
Costs payable						364	560
VAT						0	0
Other costs payable						1	1
Total						1,279	1,505

Notes

12 ACCOUNTING ESTIMATES

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

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

The fair market value calculations concerning the investment properties are performed using a yield based model. The calculation is essentially based on two important figures, where the first is the expected market gross rental income for the current year, and the second is a market based required rate of return. The rate of return takes into account the uncertainties concerning the market and the investment properties. The company has used an external evaluation of the properties to establish the required rate of return.

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

An increase of the required rate of return by 0.1 percentage point, will result in a decrease of the market value of the total investment properties by EUR 2.7 mn. In this case the equity will be reduced from the actual balance of EUR 36.8 mn. to EUR 34.1 mn.

13 FINANCIAL COMMITMENTS

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

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

14 RELATED PARTIES

Related parties with controlling interest consist of ei invest Limited 1 - Berlin I GmbH as a consequence of this companys share of participating capital.

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

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

Other related parties consist of the board of directors.

Related party transactions in the financial year:

Investment and management agreement has been entered into with EjendomsInvest and Thylander Group. The total fee for the financial year 2007 amounts to TEUR 1,057 (2006: TEUR 1,060), hereof 80% to EjendomsInvest and 20% to Thylander Group. Basisbank A/S acts as the bond bank, administrative fee amounts to TEUR 14. EjendomsInvest and Basisbank A/S are both part of the Proark Group.

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

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

No transactions with the board of directors have taken place.

15 FINANCIAL EXPOSURE RISK MANAGEMENT AND OBJECTIVES

Market values

	Booked value		Market value	
	2007	2006	2007	2006
Financial assets:				
Accounts receivable, rent	385	347	385	347
Other receivables	147	121	147	121
Cash and cash equivalents	1,589	1,298	1,589	1,298
Financial Liabilities:				
Senior loan	90,000	90,000	83,586	87,402
Junior loan	34,503	34,503	34,503	34,503
Bond debt	20,116	20,118	22,289	22,264
Trade creditors	1,000	288	1,000	288
Other bank debt	1,408	765	1,408	765
Accrued expense	0	0	0	0
Other bank debt	1,279	1,505	1,279	1,505

The market values for the senior loan have been determined by discounting future cash-flows at the German bond market interest rate (Deutsche Pfandbrief Markt). The market value for the bonds has been set at the redemption value.

Currency rate exposure

Currency rate exposure is limited due to the currency rate cooperation ERM II between DKK and EUR, where the Danish currency is kept within +/- 2,25% compared to a fixed central rate.

All of the company's income and expenses are in EUR except for the interest paid to the bond holders, who are paid in DKK. Due to the limited amounts paid in currencies other than EUR and due to the generally very stable currency rate between EUR and DKK, the company has not taken any steps to minimize the currency exchange risks.

The table below summarizes the company's currency rate exposure (in EUR).

	Long-term assets	Other assets	Liabilities	Netposition
EUR	180,000	2,121	128,114	54,007
DKK	0	0	17,239	(17,239)

15 FINANCIAL EXPOSURE RISK MANAGEMENT AND OBJECTIVES

The table below shows the company's sensitivity to changes in the exchange rate for EUR.

	DKK rate increase by 5%	DKK rate decrease by 5%
Effect on profit before tax		
2007	(83.8)	83.8
2006	(83.8)	83.8
Effect on equity		
2007	(1,089.6)	1,089.6
2006	(1,089.6)	1,089.6

Credit risk

The company requires that all new leases that are entered into are subject to payment of a deposit equivalent to three months rent. The payments of tenants are closely monitored, and action is taken as soon as a tenant fall into arrear. The actions undertaken are defined by German law.

The company does experience loss on debtors. The losses occur when the deposit does not cover the outstanding amount and the tenants haven't got the necessary funds to cover the amount. These losses are not substantial, and the company believes they are within industry standards.

The company will write-off rent receivables, after it has been determined that the tenant has no funds at the moment. The receivable will be written off with 50% after that date and with 100% 6 months after that date.

15 FINANCIAL EXPOSURE RISK MANAGEMENT AND OBJECTIVES

Liquidity risk

The company monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets and projected cash-flow from operations.

The company's objective is to be 100% financed by the cash-flow from operations. Bank overdrafts are used to cover in case of short-term fluctuations in the cash-flow.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments and excluding amortized finance expenses:

Year ended 31 st December 2007	Less than 1 year	1 to 5 years	More than 5 years	Total
Mortgage and bank debt	686	2,744	121,073	124,503
Bond debt			20,116	20,116
Trade creditors	1,000			1,000
Other bank debt	1,408			1,408
Other payables	1,279			1,279
Total	4,373	2,744	141,189	148,306

Financial management

The company's strategy is to achieve a rate of return to the investors that is significantly higher than the average rate of return for real estate investments.

The objective for the company's operation is that it should balance. The high rate of return is to be created through the increases in property value coupled with a high debt gearing.

The company cannot pay out dividend, as the bond-terms stipulate that a dividend can be paid, when the bonds have been redeemed.

The company initially structured its capital to optimize the rate of return for the owner, but at the same time, the structure was believed to include enough flexibility to meet the challenges of the future. The company's view of the capital structure has not changed, and there are no current plans to increase the capital.

Interest rate risks

The company's policy is to finance the investment property through long-term engagements with a fixed interest rate and with low initial amortization. The company continuously monitors the market to make sure it has the best possible financing of the investment properties.

The senior loan is a fixed-rate loan at 4.00% in 10 years (the first two years 4.15%) that expires 31st October 2015. The junior loan has a variable interest based on fixed-rate periods of 3 or 6 months. The junior loan expires 31st October 2015. The interest rate as of December 2007 was 6.57%. The senior loan is an interest only mortgage. The junior loan will be amortized from 1st January 2008.

The bond debts interest rate is fixed-rate loans at 8.00% and 9.00%. The bond loans are interest only and will mature 31st December 2017.

EUR 1,000		2007	2006
Note			
16	PAID FROM TENANTS		
	Rental income	11,075	10,988
	Change in accrued expenses	0	(59)
	Change in receivable rent	(38)	(3)
	Total	11,037	10,926
17	PAID TO SUPPLIERS ETC.		
	Property expenses	(1,550)	(1,188)
	Administrative expenses	(2,682)	(2,448)
	Change in prepayments, deferred charges	(26)	(49)
	Change in trade creditors etc.	517	(463)
	Total	(3,741)	(4,148)
18	INTEREST INCOME ETC.		
	Other financial income	40	23
	Unrealized exchange profit	(2)	0
	Total	38	23
19	INTEREST EXPENSES ETC.		
	Financial expenses as specified in note 4	(7,812)	(7,331)
	Amortization of finance expenses	301	249
	Unrealized exchange loss	0	12
	Change in interest accruals	(30)	(42)
	Total	(7,541)	(7,112)

Stock exchange information

Financial calendar 2008

The board of directors of ei invest properties – Berlin I GmbH & Co. KG has decided the following dates for announcement of financial results in 2008 and date for ordinary bond owner meeting:

- 31st of March 2008 Annual report 2007
- 21st of April 2008 Bond owner meeting
- 30th of May 2008 Quarterly announcement for 1st quarter 2008
- 29th of August 2008 Half year announcement for 1st – 2nd quarter 2008
- 28th of November 2008 Quarterly announcement for 1st – 3rd quarter 2008

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

The 31st of March 2008, the annual report 2007 will be available for download on www.eiinvest.dk

Stock market announcements 2007		
For "8 % ei invest Berlin I 2017" and "9% ei invest Berlin I 2017"		
No	Date	Announcement
1	31 st of January	Financial calendar 2007
2	26 th of March	Notice convening ordinary bond owner meeting 2007
3	30 th of March	Annual report 2006 – ei invest properties – Berlin I GmbH & Co. KG
4	16 th of April	Statement from Special Servicer in ei invest properties – Berlin I GmbH & Co. KG
5	26 th of April	Process of ordinary bond owner meeting
6	31 st of May	Quarterly announcement 1 st quarter 2007
7	31 st of August	Half year announcement 1 st – 2 nd quarter 2007
8	30 th of November	Quarterly announcement 3 rd quarter 2007

Company information

Formalities

ei invest properties - Berlin I GmbH & Co. KG.
c/o BWG
Heerstrasse 24
D-14052 Berlin

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

Board of directors

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

Investor relations

Solveig Rannje (Director)

Auditor

Ernst & Young
Tagensvej 86
DK-2200 Copenhagen N

Bond owner meeting

Ordinary bond owner meeting information:

Date: Monday the 21st of April 2008
Time: 14.00
Place: EjendomsInvest
Noerre Soegade 35
DK-1370 Copenhagen K

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