LANDIC PROPERTY BONDS I A/S
Annual report for 2008

Reported to NASDAQ OMX Copenhagen on 7 April 2009.
(The Danish version has been reported to NASDAQ OMX Copenhagen on 31 March 2009)

Summary:

Unsatisfactory financial performance for Landic Property Bonds I A/S

The financial performance for the financial year 2008 amounts to a loss of DKK 44 million before tax. The profit before tax and before value adjustments amounts to DKK 20 million which is at the level of expectations.

Value adjustments of investment properties and debt, net affect profit for the year before tax by negative DKK 64 million.

By the end of the year, equity amounts to DKK 262 million against DKK 295 million the year before.

The activities in the Group comprise all SAS' Danish domicile and training properties in Amager, and have in all other respects proceeded as planned in 2008.

The Supervisory Board considers the profit for the year before tax unsatisfactory.

The activities are expected to be unchanged in 2009 with revenue of DKK 70 million as well as a profit before tax and value adjustments of DKK 20 million.

Please address questions relating to this announcement to Company Secretary Klaus T. W. Lund on telephone +45 3378 4000.

Disclaimer
This is an unauthorised translation of the Danish original document. In the event of inconsistency, the Danish version shall apply.

LANDIC PROPERTY

Notice to Stock Exchange no. 32

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Central Business Registration no. 2724 1654

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Company details

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

Supervisory Board
Michael Sheikh (Chairman)
Gunnar Petersen
Klaus T. W. Lund

Executive Board
Gunnar Petersen

Company auditor
Deloitte Statsautoriseret Revisionsaktieselskab
Birkerød Kongevej 25 C
3460 Birkerød

The Annual General Meeting will be held on 30 April 2009.

Financial highlights for the Group

	2008 DKK 1,000	2007 DKK 1,000	2006 DKK 1,000
Revenue	69,796	68,269	66,829
Operating expenses	-731	-570	-116
Value adjustment of investment properties and debt, net	-64,330	100,252	113,345
Realised gain on sale of investment properties	0	0	0
Gross profit	4,736	167,951	180,058
Administrative expenses	76	-874	-850
Financial expenses, net	-49,114	-50,139	-51,099
Result before tax	-44,302	116,938	128,109
Tax on profit for the year	11,077	-21,939	-35,867
Profit for the year	**-33,225**	**94,999**	**92,242**
Fixed assets	1,125,196	1,225,000	1,143,966
Current assets	19,861	7,687	6,675
Total assets	**1,145,057**	**1,232,687**	**1,150,641**
Share capital	12,500	12,500	12,500
Equity	261,646	294,872	199,873
Deferred tax	73,998	89,945	68,006
Liabilities	809,413	847,870	882,762
Total equity and liabilities	**1,145,057**	**1,232,687**	**1,150,641**
Cash flows from operating activities	24,700	13,268	6,123
Cash flows from investment activities, net	0	0	0
Cash flows from financing activities	-12,405	-12,360	-15,450
Total cash flows	**12,295**	**908**	**-9,327**
Ratios			
Return on equity (after tax)	-11.9%	38.4%	60.0%
Solvency	22.9%	24.0%	17.0%
Net asset value	20.9	23.6	16.0
Share dividends	0%	0%	0%
Number of employees at year-end	**0**	**0**	**0**

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

Management's review

Business concept

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

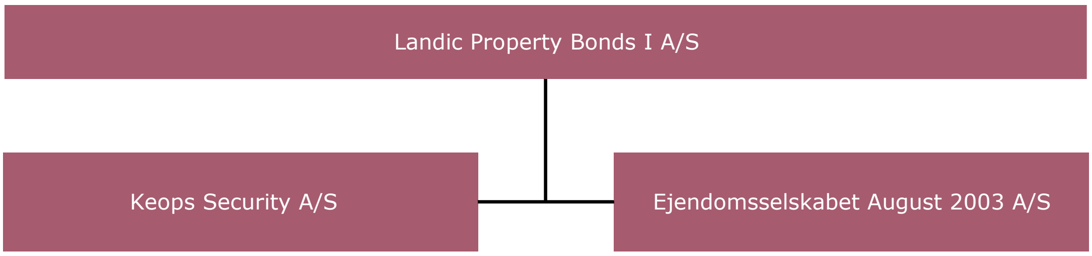
Financial objective

The Company has concluded 10-year and 15-year rental agreements with SAS about application of the properties. The objective is to achieve annual operating return before interest of approx. 8% on the original acquisition price of the property. Also, the Company's expectation is that the value of the properties will in future increase in rate with the development in indexation.

Furthermore, the Company has an objective of generating sufficient liquidity from operations to be able to repay the bond loans on maturity without taking out other financing.

Group structure

At 31 December 2008, the Group consists of the following companies (100% ownership):



Activities

Landic Property Bonds I A/S

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

Keops Security A/S

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

Ejendomsselskabet August 2003 A/S

The purpose of this company is to own, let out and operate the properties located on Hedegårdsvej 80-82 and 88, 2300 Copenhagen S, Engvej 155, 159 and 163, 2300 Copenhagen S, Skøjtevej 16, 2770 Kastrup as well as Amager Strandvej 390-392, 2770 Kastrup. At the same time, rental agreement has been concluded with SAS about the use of the properties for SAS' Danish activities, such as Danish headquarters, data centre, offices, training facilities, production and storage. Total area of the properties is 87,497 sq. m. The rental agreements are interminable for 10 years for two of the properties, while the interminability is 15 years for the other two properties, all commencing on 15 October 2003. The rent is adjusted regularly by 2.25% p.a., and SAS pays all operating expenses, incl. maintenance.

Management's review (continued)

Capital resources and liquidity

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

In 2008, the Landic Property Bonds I A/S Group earned positive cash flows from operating activities. As a result of the general financial crisis, however, it was not possible for the Company to obtain the assumed interim financing for redemption of bond series 1 (ISIN code DK0003444941) maturing on 1 January 2009.

On the basis of updated budgets, Management expects redemption of bond series 1 to take place no later than in 2010 via positive cash flows from operating activities. This postponement requires acceptance from the Company's senior lender and the bond owners. Please also refer to the Company's Notice to the Stock Exchange no. 30.

Management also expects that the Company will in future be able to make yield payments as they mature.

On the basis of the above, the annual report has been prepared for the Company as a going concern. If the necessary acceptance and consent from the bond owners are not achieved, it will not be possible to continue the Company's activities without further capital contribution or financing.

Generally about the year

The consolidated income statement shows a loss before tax of DKK 44.3 million (2007: DKK 116.9 million.) and the consolidated balance sheet shows equity at 31 December 2008 of DKK 261.6 million (2007: DKK 294.9 million).

Operating profit before value adjustments and tax amounts to DKK 69.1 million (2007: 68.2) which is at the level of the expectations.

The loss for the period has primarily been earned by negative value adjustments of investment properties and debt of net negative DKK 64.3 million (2007: DKK 100.3 million).

In the financial period, rental income has been received as planned from the properties, and the activities have proceeded as expected.

Management considers the financial performance unsatisfactory.

Risk factors

The Company's Management will currently monitor the risks facing the Group and attempt to ensure hedging of them in consideration of the Company's overall objective of return on operations. Below, a number of the risk factors which the Company's Management assesses to have specific influence and Management's actual assessment of the actual risk are outlined:

External risk factors:

Value adjustment investment properties: The global financial crisis has had significant adverse influence on, among others, the market for investment properties and property bonds with no or very few transactions in the market and declining prices. This has complicated the determination of the values of the Company's investment properties and bond debt in this annual report. Please refer to section in note 2 in which the valuation of investment properties and property bonds has been described in further detail. As a result of the uncertain and adverse markets, the recognised values of investment properties and property bonds are to be considered subject to uncertainty.

Rental income: Several factors may significantly influence rental income. Vacancy is currently assessed to constitute a low risk with respect to the present leases with SAS and the term of such leases. Uncertain market terms will be able to affect the Company negatively if reletting is established at reduced market rent.

The rental income level is basically influenced by indexation and current expectations of modest inflation. Leases with SAS have fixed adjustment of 2.25% p.a. for which reason the impact of risks is assessed to be low.

Financing risk and capital resources: The current financial crisis entails increased uncertainty in relation to the Company's financing risks. Management believes that it will be possible to perform the planned initiatives which are to ensure the Group's and the Parent's capital resources and liquidity.

Interest level: Changes in the Company's interest rate on financing will affect profit negatively or positively. Management has prevented this risk by fixing the interest rate on the Group's loans as the senior priority mortgage loan has been taken out in a fixed-rate basis for 10 (forward rate agreement expires end 2013) years while the bond loans carry fixed yield. Maturities of bond loans are 2009, 2014 and 2019.

Internal risk factors:

All maintenance of the properties is incumbent upon the letter. Any unperformed current maintenance may impair the Group's investment properties as the rental level may drop in a possible reletting situation.

Events after the balance sheet date

After the end of the financial period, operations have been satisfactory.

At 1 January 2009, bond series 1 with a nominal yield of 10% p.a. should have been redeemed (ISIN code DK0003444941). As appears from the mentioning under the section about capital resources and liquidity above, the Company has not been able to meet this obligation.

The Company will convene a bond owners' meeting as soon as possible for discussion of the insufficient redemption of bond series 1. The Company will recommend to the General Meeting that the bond owners accept a postponement of the payment to March 2010. Management believes that the Company will then be able to redeem the bond series without taking out bridge financing.

The Company will concurrently work on the possibilities of taking out alternative temporary financing so as for the bonds to be redeemed before such data.

Expectations of 2009

For the financial year 2009, the Group expects profit before tax and value adjustments of investment properties and debt, net of DKK 20 million.

Shareholder information

Share capital

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

Dividends

The full-year profit is to be transferred for the consolidation of the Company.

Shareholder composition at 31 December 2008 (name and domicile):

	Number of shares	% of equity
Keops Properties A/S, Copenhagen	12,500,000	100.00 %
Total	12,500,000	100.00 %

Policy for treasury shares

The Company's Articles of Association do not provide the possibility to acquire treasury shares.

Shares and dividend ratios

See financial highlights

Announcements to the Stock Exchange in the period 1 January 2008 – 31 December 2008:

No.	Date	Subject
31.	31 January 2009	Financial calendar
30.	1 January 2009	Postponement of redemption of DKK 30 million bond loan
29.	29 October 2008	Interim report for period 1 January – 30 June 2008
28.	30 April 2008	Minutes of Ordinary General Meeting
27.	30 April 2008	Notice convening Annual General Meeting
26.	1 April 2008	Annual report for the period 1 January – 31 December 2007

Financial calendar for 2009:

No.	Date	Subject
	31 March 2009	Annual report announcement regarding the financial year 1 January – 31 December 2008
	30 April 2009	Ordinary General Meeting for the financial year 2008
	31 August 2009	Annual report announcement for the period 1 January – 30 June 2009

Information about bonds issued

The Company has issued the following bonds listed on the NASDAQ OMX Copenhagen:

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

The Company has issued the following bonds which have subsequently been delisted from NASDAQ OMX Copenhagen:

10% Bond Loan, DKK 30,000,000, maturity 2003-2009, ISIN code DK0003444941

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

Shareholder information (continued)

Contacts

On Landic Property Bonds I A/S' website, www.landicproperty.com, further information is available. Please address inquiries relating to investor relations and the share market to Company Secretary, Klaus T. W. Lund:

Telephone	+45 3378 4000
Fax	+45 3378 4001
E-mail	info@landicproperty.com

Statement by Management on the annual report

The Supervisory and Executive Boards have today presented the annual report for the Group and Landic Property Bonds I A/S for the period 1 January to 31 December 2008. The annual report has today been considered and adopted.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional reporting requirements for companies that have listed bonds.

We consider the accounting polices appropriate and the accounting estimates reasonable, and we believe that the annual report contains the information relevant for evaluation of the Parent's and the Group's financial affairs. We therefore believe that the annual report provides a true and fair view of the Group's and the Parent's financial position and the results of their activities and cash flow for the financial year 2008.

Furthermore, we believe that the Management's review gives a true and fair review of the development in the Group's and the Parent's activities and finances, the profit or loss for the year and of the Group's and the Parent's financial position as a whole and a description of the most significant risks and uncertainties which the Group and the Parent are facing.

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

Copenhagen, 31 March 2009

Executive Board

Gunnar Petersen

Supervisory Board

Michael Sheikh (Charmin)	Klaus T. W. Lund	Gunnar Petersen

The independent auditors' report

To the shareholders of Landic Property Bonds I A/S

We have audited the annual report of Landic Property Bonds I A/S for the financial year 1 January to 31 December 2008, which comprises the statement by Management on the annual report, Management's review, income statement, Statement of recognised income and expenses, balance sheet, cash flow statement and the notes including accounting policies for the Group as well as the Parent. The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and additional Danish disclosure requirements for annual reports of companies with listed bonds.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of an annual report in accordance with International Financial Reporting Standards as adopted by the EU, and additional Danish disclosure requirements for annual reports of companies with 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 an 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 31 December 2008, and of their financial performance and the consolidated cash flows for the financial year 1 January to 31 December 2008 in accordance with International Financial Reporting Standards asadopted by the EU, and additional Danish disclosure requirements for annual reports of companies with listed bonds.

Continues,

The independent auditors' report (continued)

Emphasis of matter relating to the annual report

Without qualifying our opinion we refer to the Management's review in which Management addresses the uncertainties associated with valuation of the Group's investment properties and the Parent's bond debt as well as the uncertainty relating to the Company's capital resources and cash position. It appears from the Management's review that the Company intends to propose to bondholders to postpone repayment of the bond loan with ISIN code DK0003444941 until March 2010 to ensure the Company's capital resources and cash position. On presentation of the annual report, Management assumed that the Company's senior lender and the bondholders would accept the proposed postponement of repayment of the bond debt and has therefore presented the annual report on a going concern basis. We have no reason to make another assessment of this.

Copenhagen, 31 March 2009

Deloitte
Statsautoriseret Revisionsaktieselskab

Anders O. Gjelstrup State Authorised Public Accountant	René H. Christensen State Authorised Public Accountant

Income statement 1 January – 31 December

	Note	Group		Parent	
		2008	2007	2008	2007
		DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Revenue	3	**69,796**	**68,269**	**0**	**0**
Operating expenses		-731	-570	0	0
Value adjustment of investment properties and debt, net	4	-64,330	100,252	38,200	8,718
Gross profit		**4,736**	**167,951**	**38,200**	**8,718**
Administrative profit	5	76	-874	-77	-95
Operating result		**4,811**	**167,077**	**38,123**	**8,623**
Financial income	6	856	583	16,913	16,909
Financial expenses	7	-49,970	-50,722	-55,298	-25,647
Profit/loss before tax		**-44,302**	**116,938**	**-263**	**-115**
Tax on profit/loss for the year	8	11,077	-21,939	66	29
Profit/loss for the year		**-33,225**	**94,999**	**-197**	**-86**
Statement of recognised income and expenses:					
Profit/loss for the year		-33,225	94,999	-197	-86
Total recognised income and expenses		**-33,225**	**94,999**	**-197**	**-86**

Balance sheet at 31 December

	Note	Group 2008	Group 2007	Parent 2008	Parent 2007
		DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Assets					
Investment properties	9	1,125,000	1,225,000	0	0
Property, plant and equipment		**1,125,000**	**1,225,000**	**0**	**0**
Investments in subsidiaries	10	0	0	25,500	25,500
Receivables from group enterprises	11	0	0	120,000	188,200
Deferred tax assets	14	196	0	196	115
Financial fixed assets		**196**	**0**	**145,696**	**213,815**
Fixed assets		**1,125,196**	**1,225,000**	**145,696**	**213,815**
Current assets					
Receivables from group enterprises		0	0	30,000	0
Other receivables		0	120	0	0
Receivables		**0**	**120**	**30,000**	**0**
Cash funds	12	**19,861**	**7,567**	**140**	**130**
Current assets		**19,861**	**7,687**	**30,140**	**130**
Assets		**1,145,057**	**1,232,687**	**175,836**	**213,945**

Balance sheet at 31 December

	Note	Group 2008	Group 2007	Parent 2008	Parent 2007
		DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Equity and liabilities					
Share capital		12,500	12,500	12,500	12,500
Retained earnings		249,146	282,372	11,048	11,245
Equity	13	**261,646**	**294,872**	**23,548**	**23,745**
Long-term liabilities other than provisions					
Mortgage debt	15	552,840	562,670	0	0
Bond debt	15	120,000	188,200	120,000	188,200
Deposits		63,550	63,612	0	0
Deferred tax	14	73,998	89,945	0	0
Long-term liabilities other than provisions		**810,388**	**904,427**	**120,000**	**188,200**
Short-term liabilities other than provisions					
Short-term portion of long-term liabilities other than provisions	15	42,360	12,360	30,000	0
Trade payables		23	0	0	0
Debt to group enterprises		5,305	212	2,228	1,948
Deferred income		25,074	20,261	0	0
Other payables		262	555	59	52
Short-term liabilities other than provisions		**73,023**	**33,388**	**32,287**	**2,000**
Liabilities other than		**883,411**	**937,815**	**152,288**	**190,200**
Equity and liabilities		**1,145,057**	**1,232,687**	**175,836**	**213,945**

Cash flow statement 1 January – 31 December

	Note	Group 2008	Group 2007	Parent 2008	Parent 2007
		DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Profit/loss before tax for the year		-44,302	116,938	-263	-165
Adjustments	17	113,444	-50,113	467	44
Change in working capital	18	4,662	-3,418	7	-73
Cash flow before financial items		**73,803**	**63,407**	**211**	**-194**
Financial income, received		856	583	16,913	21,135
Financial expenses, paid		-49,970	-50,722	-17,098	-21,179
Corporation tax, paid		11	0	-15	0
Cash flows from operating		**24,700**	**13,268**	**10**	**-238**
Proceeds from borrowings		-12,360	-12,360	0	-6,235
Change in balance with group enterprises		0	0	0	6,465
Change in other long-term liabilities		-45	0	0	0
activities		**-12,405**	**-12,360**	**38,481**	**230**
Cash flows for the year		**12,295**	**908**	**10**	**-8**
Cash and cash equivalents at the beginning of the year		7,567	6,659	130	138
Cash and cash equivalents at the end of the period		**19,861**	**7,567**	**140**	**130**

List of notes

1. Accounting policies

Accounting policies

The annual report for 2008 of Landic Property Bonds I A/S which comprises financial statements of the Parent as well consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements on the financial reporting for annual reports of reporting class D with listed bonds and the executive order on the adoption of IFRS issued in accordance with the Danish Financial Statements Act. Landic Property Bonds I A/S is a public limited Company registered in Denmark.

The annual report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The annual report is presented in DKK thousands, which is the presentations currency for the Groups activities and the functional currency for parent Company. As a consequence of rounding, the sum of the individual items may deviate from totals.

1. Accounting policies (continued)

The annual report is prepared on the basis of historical cost, apart from investment properties and derivative financial instruments that are measured at fair value.

Standards and interpretations not yet effective

At the time of publishing this annual report, new or changed standards and interpretations which have not yet taken effect have not been incorporated in the annual report.

The Group plans implementation of these standards as they become mandatory. The potential effect of the implementation of the above standards on the annual report has not yet been estimated, but will primarily be influenced by the volume of supplementary disclosures.

The accounting policies are overall as follows:

Consolidated financial statements

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

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Landic Property Bonds I A/S and its subsidiaries. The consolidated financial statements are prepared by combining 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 dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Income statement

Revenue

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

Operating expenses

Operating expenses comprises costs and expenses incurred to earn revenue for the year, including costs and expenses in connection with operation of the properties.

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".

Administrative expenses

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

Financial income and expenses

Financial income and expenses comprise interest income and expenses, transaction costs incurred on borrowing as well as amortisation of financial assets and liabilities, realised and unrealised exchange gains and losses on liabilities other than provisions, apart from fair value adjustment of debt and derivative financial instruments relating to the investment properties.

1. Accounting policies (continued)

Dividends from equity investments are recognised when final right to such dividends has been acquired. This typically means at the time of the General Meeting's adoption of the distribution from the relevant Company.

Tax on profit or loss for the year

The Company is subject to the Danish rules on mandatory joint taxation of Landic Property hf 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.

Landic Property A/S 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 a refund for 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, Landic Property 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.

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-based value can be made according to alternative tax rules, deferred tax is measured on the basis of the by Management planned use of the asset or settlement of the liability.

Deferred tax on temporary differences related to investments in subsidiaries is recognised unless the Parent is able to control when the deferred tax is realised. It is not probable that the deferred tax will be triggered as current tax in a foreseeable future.

Deferred tax assets, including the tax base of tax loss carry-forward, are recognised by the value at which they are expected to be utilised, either by setting off tax 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.

1. Accounting policies (continued)

Balance sheet

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 the 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 the return requirement 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 a year in connection with the closing of the financial year.

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.

Properties under construction, additional constructions and refurbishment 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 in the financial statements of the Parent
Investments in subsidiaries are measured at cost in the financial statements of the Parent.

If cost exceeds the recoverable amount of the investments, they are written down to such lower amount. Cost is also reduced if higher dividends are distributed than have been earned in total in the enterprise since the Parent’s acquisition of the equity investments.

Receivables
On initial recognition, receivables are measured at fair value and subsequently at amortised cost usually equalling nominal value less provisions for bad debts. Write-down is made individually by use of a provision account.

Receivables from group enterprises are measured at cost.

Cash
Cash comprises cash funds as well as bank deposits.

1. Accounting policies (continued)

Dividends

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

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 adjustment of investment properties and debt, net”. Adjustment of mortgage debt, which is a write-down, is tied under equity to “Reserve for fair value adjustment”.

Other financial liabilities

Other financial liabilities comprise bank debt, trade payables and other payables to public authorities, etc.

On initial recognition, other financial liabilities are measured at fair value less any transaction costs. Subsequently, the liabilities are measured at amortised cost by applying the effective interest method, so as for the difference between proceeds and nominal value to be recognised in the income statement as a financial expense or over the term of the loan.

Deferred income

Deferred income comprises received income relating to subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company’s cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit or loss adjusted for non-cash operating items, working capital changes as well as paid financial income, financial expenses and corporation taxes.

Cash flows from investing activities comprise payments in connection with the acquisition, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the Parent’s share capital and related costs as well as inception and repayment of loans and instalments on interest-bearing debt.

Cash and cash equivalents comprise cash funds and short-term securities with insignificant price risk less any overdraft facilities included as an integral part of the cash flow management.

Segment information

The operating segment of the Group is lease of commercial tenancies and the Group’s geographical segment is Denmark. The Group’s income statement and balance sheet to a significant extent reflect both segments, and accordingly, no further segment information is provided apart from as appears from the income statement and balance sheet.

1. Accounting policies (continued)

Ratios

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

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

Return on equity (after tax)	Profit or loss after tax x 100 (converted into annual income) / Average equity
Solvency	Equity at year-end x 100 / Total equity and liabilities at year-end
Equity value at year-end	Total equity at year-end / Share capital at year-end
Dividends	Dividends x 100 / Parent's share capital

2. Significant judgements and accounting estimates

The preparation of annual reports requires that Management makes accounting judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results maybe differ from these estimates.

Valuation of properties

In accordance with the Group's accounting policies, which remain unchanged from the publication of the consolidated financial statements of 2007, the Group measures its investment properties at fair value using a discounted cash flow model based on future cash flows from the ownership of the investment properties.

The valuation of the properties as at 31 December 2008 has been carried out internally. The valuation of significant investment property portfolios has been done by looking at changes in cash flows, market yields and other relevant information that affect the valuation of investment properties. Furthermore the valuation is compared to an external valuation.

Based on the above, Management has estimated the effect on the fair value of the investment properties.

Valuation of bonds

In order to apply the official rate on the market for property bonds, the prices are to represent actual market transactions which regularly take place between qualified, willing, mutually independent parties. As a result of the present financial crisis with very few market transactions, it has been assessed that the prices on the market for property bonds no longer reflect the fair value of the bonds and thereby of the bond debt.

Consequently, the bond debt has been measured on the basis of the security of the bonds in the property portfolios via the existing mortgaging. The bond debt is thereby measured at the fair value of the properties less senior mortgages, however, generally at a maximum rate of 100 which corresponds to the redemption price of the bonds.

	Group		Parent	
	2008	2007	2008	2007
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000

3 Revenue

	2008	2007	2008	2007
Rental income, investment properties	69,791	68,256	0	0
Other income	5	13	0	0
	69,796	**68,269**	**0**	**0**

4 Value adjustment of investment properties and debt, net

	2008	2007	2008	2007
Value adjustments of investment properties	-100,000	81,034	0	0
Value adjustments of bonds	38,200	8,718	38,200	8,718
Value adjustments of debt	-2,530	10,500	0	0
Total value adjustments bonds and debt	**35,670**	**19,218**	**38,200**	**8,718**
	-64,330	**100,252**	**38,200**	**8,718**

5 Administrative expenses

	2008	2007	2008	2007
Fees to auditors appointed at the General Meeting:				
Deloitte, statutory audit	180	148	72	54
	180	**148**	**72**	**54**

The Parent had no employees in the past financial period.

No remuneration has been paid in the financial year to the Supervisory or Executive Boards.

6 Financial income

	2008	2007	2008	2007
Interest income, bank	856	583	13	9
Interest income, group enterprises	0	0	16,900	16,900
	856	**583**	**16,913**	**16,909**

Financial income relates to assets that are not measured at fair value.

	Group		Parent	
	2008	2007	2008	2007
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
7 Financial expenses				
Interest expenses, mortgage credit	-33,004	-33,808	0	0
Interest expenses, bonds	-16,900	-16,900	-16,900	-16,900
Interest expenses, group enterprises	-16	0	-162	-28
Other financial expenses	-50	-14	-36	-1
Price adjustments, group enterprises	0	0	-38,200	-8,718
	-49,970	**-50,722**	**-55,298**	**-25,647**

*) Interest expenses relate to financial liabilities measured at fair value with recognition of the fair value adjustment in the income statement.

	Group 2008	Group 2007	Parent 2008	Parent 2007
8 Tax on profit/loss for the year				
Tax on profit/loss for the year	-5,076	0	0	0
Deferred tax on profit/loss for the year	16,153	-21,939	66	29
	11,077	**-21,939**	**66**	**29**
Tax on profit/loss for the year is explicable as follows:				
Calculated 25% tax on profit/loss for the year	11,077	-29,235	66	41
Tax-based value of permanent differences	0	0	0	0
Other adjustments	0	7,296	0	-12
	11,077	**-21,939**	**66**	**29**
Effective tax rate	**25%**	**19%**	**25%**	**25%**

	Group		Parent	
	2008	2007	2008	2007
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
9 Investment properties				
Cost at 1 January	881,461	881,461	0	0
Additions	0	0	0	0
Disposals	0	0	0	0
Cost at 31 December	**881,461**	**881,461**	**0**	**0**
Revaluation at 1 January	343,539	262,505	0	0
Revaluation for the year	-100,000	81,034	0	0
Disposal	0	0	0	0
Revaluation at 31 December	**243,539**	**343,539**	**0**	**0**
Carrying amount at 31 December	**1,125,000**	**1,225,000**	**0**	**0**

	Exit yield	Year of acquisition	sqm	Carrying amount at 31/12 2008
4 properties, Amager, Denmark	6.6%	2003	87,500	1,125,000

The carrying amount for the year of investment properties at 31 December 2008 has been calculated on the basis of a return requirement of 6.6% (2007: 6.2%). The calculation has been made on the basis of a discounted cash flow model, see note 2.

The annual operating return represents 7.8% and has been calculated based on the gross profit/loss excl. value adjustments of investment properties and debt, net in relation to the acquisition price of investment properties.

Property portfolio consists of a total of 4 properties, located on Amager of a total of 87,500 m2, 100% offices.

As security for the Group's mortgage and bond commitments, mortgage has been providet in the investment properties, the carrying amount of which at 31 December 2008 represent DKK 1,125,000 (2007: 1,225,000 tDKK).

	Parent 2008	Parent 2007
	DKK 1,000	DKK 1,000
10 Investment in subsidiary		
Cost at 1 January	25,500	25,500
Additions	0	0
Disposals	0	0
Cost at 31 December	**25,500**	**25,500**

	Registered	Ownership share	Profit/loss before tax	Equity
Keops Security A/S	Denmark	100%	-12	485
Ejendomsselskabet August 2003 A/S	Denmark	100%	-44,027	263,112

			Parent 2008	Parent 2007
			DKK 1,000	DKK 1,000
11 Receivables from subsidiary				
Cost at 1 January			150,000	150,000
Disposals			0	0
Cost at 31 December			**150,000**	**150,000**
Revaluation at 1 January	0	0	38,200	38,200
Revaluation for the year	0	0	-38,200	0
Revaluation at 31 December	**0**	**0**	**0**	**38,200**
Carrying amount at 31 December	**0**	**0**	**150,000**	**188,200**

	Fixed/ floating	Effective interest	2008	2007
			DKK 1,000	DKK 1,000
Receivables from subsidiaries				
Less than 1 year	Fixed	10%	30,000	0
Matures between 1-5 years	Fixed	10%	0	31,500
Matures after 5 years	Fixed	11-12%	120,000	156,700
			150,000	**188,200**

Receivables from group enterprises with a carrying amount of DKK 150,000 thousand have been mortgaged in favour of the bond owners.

12 Cash

Cash of DKK 19,861 thousand (2007: DKK 5,567 thousand) have been provided as security for the Group's mortgage debt which at 31 December 2008 amounts to DKK 565,200 thousand (2007: DKK

13 Equity

The Parent's share capital amounts to DKK 12,500,000 allocated into shares of DKK 1.

Equity has developed as follows:

Group:	Share capital	Retained earnings	Total
	DKK 1,000	DKK 1,000	DKK 1,000
Equity at 1 January 2007	12,500	187,373	199,873
Profit/loss for the year		94,999	94,999
Equity at 1 January 2008	12,500	282,372	294,872
Profit/loss for the year		-33,225	-33,225
Equity at 31 December 2008	**12,500**	**249,146**	**261,646**

Parent:	Share capital	Retained earnings	Total
	DKK 1,000	DKK 1,000	DKK 1,000
Equity at 1 January 2007	12,500	11,331	23,831
Profit/loss for the year		-86	-86
Equity at 1 January 2008	12,500	11,245	23,745
Profit/loss for the year		-197	-197
Equity at 31 December 2008	**12,500**	**11,048**	**23,548**

	Group		Parent	
	2008	2007	2008	2007
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
14 Deferred tax				
Deferred tax at 1 January	-89,945	-68,006	115	86
Deferred tax for the year	16,153	-21,939	66	29
Adjustment to previous years	-11	0	15	0
Deferred tax at 31 December	**-73,802**	**-89,945**	**196**	**115**
Deferred tax at year-end is included in the financial statement items:				
Financial fixed assets	196	0	196	115
Long-term liabilities other than provisions	-73,998	-89,945	0	0
	-73,802	**-89,945**	**196**	**115**
Deferred tax relates to:				
Investment properties	-71,851	-98,992	0	0
Debt	-2,130	8,850	0	0
Tax loss carry forward	176	197	196	115
	-73,802	**-89,945**	**196**	**115**

15 Long-term liabilities

The Company's long-term liabilities other than provisions mature as follows:

			Group		Parent	
Type of loan	**Payment / maturity**	**Effective interest**	**2008**	**2007**	**2008**	**2007**
			DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Mortgage debt	1-5 years	5.7%	552,840	562,670	0	0
Bonds	1-5 years	10-12%	0	30,000	0	30,000
Bonds	> 5 years	10-12%	120,000	158,200	120,000	158,200
			672,840	**750,870**	**120,000**	**188,200**

Mortgage and bond debt carry fixed interests.

As security for the Group's mortgage and bond debt, mortgage on investment properties with a carrying amount of DKK 1,125,000 has been granted.

16 Other liabilities

The Group has no security, guarantee or other commitments, apart from what is customary for a property company and otherwise appears from the financial statements and notes.

	Group		Parent	
	2008	2007	2008	2007
17 Adjustment to cash flow	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Value adjustment, investment properties	100,000	-81,034	0	0
Value adjustment, bonds	-38,200	-8,718	-38,200	-8,718
Value adjustment of receivables, group enterprises			38,481	
Value adjustment, other debt	2,530	-10,500	0	0
Financial income	-856	-583	-16,913	-15,735
Financial expenses	49,970	50,722	17,098	24,497
	113,444	**-50,113**	**467**	**44**
18 Change in working capital				
Change in receivables	120	-104	0	12,675
Change in prepayments	0	212	0	0
Change in debts	-271	-3,972	7	-12,748
Change in deferred income	4,813	446	0	0
	4,662	**-3,418**	**7**	**-73**

19 Financial risk management

The Group's activities are subject to different financial and market risks, including price and interest risk. Disclosures about the financial risks of the Parent are limited to bond debt and receivables in subsidiaries. The net risk is insignificant.

Risk management is carried out by a centralised treasury department, which oversees and manages financial risks and provides debt funding for the operation and new acquisitions. Treasury identifies and evaluates the financial risk in close co-operaten with the Group's operatioal units.

The risks are managed within guidelines set by the Supervisory Board.

(a) Market risk

(i) Foreign exchange risk
The Group is not exposed to currency fluctuations as each group entity performs acquisition and sale transactions and has receivables and payables in the same currency as their own functional currency.

(ii) Price risks
The Group is exposed to property price and property rentals risk.

(iii) Interest risk
As a result of its investment and financing activities, the group has a risk exposure related to the changes in interest rates in Denmark as well as foreign countries. It is Group policy to hedge the interest risk on the Group's debts, when it is assess that the interest payments can be hedged at a satisfactory level. The hedges are prepared with conclusion of interest rate swap, when the floating interest debts are replaced as fixed interest.

As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The Group's main exposure to interest rate movements relates to process of borrowing in connection with financing of property investments. However, assuming a correlation between interest rates and yields on realestate (even though there may be some time lag) implies that increasing interest rates will result in lower market value on debt and also a lower valuation of properties.

In order to hedge the valuation impact, the aim is to raise longer-term loans of at least 5 years' maturity.

Traditional risk measures are applied in the management of theinterest risk of debt. The interest risk on the debt is monitored regularly in order to secure that it is kept in accordance with issued guidelines from the Supervisory Board.

19 Financial risk management (continued)

The following table details the Group's exposure to interest risks. It includes the Group's liabilities at fair values.

31 December 2008	**Total**
	DKK 1,000
Fixed rate	
Mortgage debt	565,200
Bond debt	150,000
Non-derivative interest-bearing financial liabilities	**715,200**
Fixed	715,200
Floating	-
Total non-derivative interest-bearing financial	**715,200**

31 December 2007	**Total**
	DKK 1,000
Fixed rate	
Mortgage debt	575,030
Bond debt	188,200
Non-derivative interest-bearing financial liabilities	**763,230**
Fixed	763,230
Floating	-
Total non-derivative interest-bearing financial	**763,230**

The fixed-rate agreement concluded for the mortgage debt may lead to significant extraordinary costs on premature redemption of loans if the current interest level at the time of redemption is lower than the fixed-rate agreement.

19 Financial risk management (continued)

b Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers, including outstanding receivables.

The Group's credit risk is mainly due to deposits with banks and the positive market value of derivative instruments.

The Group primarily conducts business with reputable banks of a certain rating and therefore the counterparty exposure is perceived as limited. The Group monitors the financial condition of and exposure to its counterparties periodically in order to reduce the credit risk exposure.

Covenant risk
A number of financial contracts contain financial covenants, which are customary in nature. The financial loan covenants in The Group's loan agreements relate to e.g. equity ratio, interest coverage, debt service coverage ratio, loan-to-value, sale or other dispersion of assets, change of ownership and/or control of the Company, etc. Not fulfilling the covenants could mean accelerated repayment of bonds, loans, cross-defaults, and/or technical default requiring prohibition of dividend and re-negotiation with creditors under distress. Such an event would almost always be preceded by a significant adverse development in the Group's financial performance. In addition, events such as a drop in market prices could mean that loan-to-value covenants would trigger the need for more cash.

On 15 October 2003, two leases were concluded with SAS with a period of interminability of 10 years and two leases with a period of interminability of 15 years.

Furthermore, drop in the prices of property may result in the loan-to-value clause (maximum loan-to-value ratio) triggering requirements from the lender about payment of extraordinary instalment on

c Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, bonds and montage debt.

The Group guideline is to raise longer-term loans to reduce this risk. Going forward, the aim is to create a smooth maturity profile in order to minimize the exposure to refinancing conditions at any given point in time. Furthermore, in order to reduce refinancing risk, the Group's funding is mainly based on bank loans with reputable banks. Secondly, the Group has issued bonds on NASDAQ OMX Copenhagen.

19 Financial risk management (continued)

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2008 based on contractual undiscounted payments.

At 31 December 2008	Less than 1 year	1-5 years	After 5 years	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Mortgage debt	12,360	552,840	-	565,200
Bond debt	30,000	-	120,000	150,000
Other long-term liabilities		-	137,549	137,549
Other short-term liabilities	30,663			30,663
	73,023	**552,840**	**257,549**	**883,411**

At 31 December 2007	Less than 1 year	1-5 years	After 5 years	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Mortgage debt	12,360	49,440	513,230	575,030
Bond debt	-	30,000	158,200	188,200
Other long-term liabilities		-	153,557	153,557
Other short-term liabilities	21,028			21,028
	33,388	**79,440**	**824,987**	**937,815**

d Financial gearing

The Group's Management currently evaluates the Group's capital structure. As a part of this review the Group's Management evaluates the Group's capital expenses and the risk related to each type of capital.

The gearing ratios at 31 December were follows:

	2008	2007
	DKK 1,000	DKK 1,000
Total borrowings	715,200	763,230
Cash and cash equivalents	19,861	7,567
Net debt	695,339	755,663
Total equity	261,646	294,872
Total capital	**956,985**	**1,050,535**
Gearing ratio	73%	72%

20 Related parties

The Group's related parties consist of the Company's shareholders, Landic property hf and its subsidiaries.

During the year, the Group has had transactions with Landic Property Denmark A/S.

Intra-group balances as well as interest thereon appear from the balance sheet and notes 6 and 7. With the exception of payable joint tax contribution, the Parent has intra-group balances with subsidiaries only.

All fees and outstanding accounts in the financial year have been settled on market terms and have represented:

	2008	2007
	DKK 1,000	DKK 1,000
Landic Property A/S, management fee (costs)	0	27
Landic InvestorPartner A/S, management fee (costs)	0	425
Landic Property Denmark A/S, management fee (costs)	731	0
	731	**452**

21 Supervisory and Executive Boards

Landic Property Bonds I A/S' Supervisory and Executive Boards hold the following managerial positions in other Danish public limited companies.

Michael Sheikh:
Director in a number of companies in Landic property hf group and Michael Sheikh ApS.
Supervisory Board member of PKD-Holding A/S, SMB Holding ApS and a number of companies in Landic Property hf Group.

Klaus T. W. Lund:
Director and Supervisory Board member of a number of companies in Landic Property hf Group.

Gunnar Petersen:
Director and Supervisory Board member of a number of companies in Landic Property hf Group.