

**CORRECTION: An error appeared on page 8 in the Danish version as a wrong section was included. On page 21 in the English version € 100 appeared in stead of € 200, which is the correct number.**

**Europeinvestment A/S  
CVR no. 10435013  
c/o Inwema ApS  
Kongevejen 53, DK-2840 Holte  
Telephone 0046 8 545 00140**

**Stock Exchange Notification 2007-07-25**

**Re.: Morocco Film City**

TMG Inc., the owner of Morocco Film City, has now provided further information to Europeinvestment A/S in relation to the business undertaken in Morocco Film City, and given its consent to the publication of such information. As a consequence hereof Europeinvestment A/S hereby notifies about the main content of the information received.

**1. Overview**

Europeinvestment A/S owns 34,661,750 shares in Europe Vision Plc, corresponding to 24.92 % of the 139,087,997 shares now issued by Europe Vision Plc.

Europe Vision Plc. owns 11 % of TMG Inc.

Morocco Film City is owned and operated by Morocco Film City s.a., a Moroccan company wholly owned by TMG Inc.

**2. The Business**

Morocco Film City does business with real estate and film production in Morocco.

Morocco Film City is a 280 hectare site, with an option on a further 200 hectares. The Site is located 8 kilometres from the centre of Marrakech.

The following picture shows the present condition of the site.



Construction work is underway at the Site with the intention of building a Film City within 5 years, including apartments and villas, 3 hotels, a film studio complex, a film school, leisure activities including a film studios tour, pleasure gardens, clubs, cinemas, museums and festivals, shops, cafes and restaurants, an Institute of Moroccan Arts and Crafts, and sports facilities including a championship golf course and water sports.

### **3. Significant Events in the History of Morocco Film City**

*July 2005*

The offer and acceptance of the transfer of the original 200 hectares of land was signed by the Governor of the State of Marrakech.

*December 2005*

TMG Inc. was formed.

*January-April 2006*

Tritel Media, which has later become a wholly owned subsidiary of Europe Vision Plc, invested € 160 million in TMG Inc. against receipt of 11 % of the shares of TMG Inc.

*March 2006*

The project was approved by the regional centre for inward investment adhoc committee.

*September 2006*

The first of the films contracted to be delivered to Europe Vision Plc in relation to the agreement with TMG Inc. was completed and released in its original Spanish version in Cuba. The film was nominated as an entry for the Oscar category of Best Foreign Film.

Since the film studio at Morocco Film City had not been constructed at this stage, the film was shot at a different studio, but Europe Vision Plc nevertheless obtained the Scandinavian rights to the film.

Construction of the sewage plant commenced.

*December 2006*

The Morocco Film City project was launched at the Morocco Film Festival.

The southern abating land of approximately 80 hectares was added to the project by way of grant from the governor of the state of Marrakech.

*January 2007*

Construction on infrastructure commenced.

*May 2007*

Grant Leisure Group prepared a feasibility study in relation to the further development of the Site.

The report was prepared by European and US specialists in the various aspects of the project, supported by government agencies and local tourism and project management consultants.

The project team included:

- Grant Leisure, international leisure development consultants with offices in London and The United States ([www.grant-leisure.com](http://www.grant-leisure.com)).
- ILM-THR – a consultancy providing project management service to clients in the hospitality and resort development sectors with offices throughout Europe.

- Wyatt Design Group – US based specialists in the design and development of theme parks. WDG has worked on movie-themed projects for Universal Studios, Warner Bros, Viacom, Paramount and 20th Century Fox.
- Baker Wilkins – cost and project management consultants with worldwide experience in almost every construction and engineering sector.
- Arthur Hills/Steve Forest and Associates, championship golf course designers.
- Roland Dieterle, a renowned architect behind many projects including Hydropolis, the world's first underwater hotel located off the coast of Dubai.
- Representatives from Savills, the international real estate agency.
- Global Universal Inc, the motion picture valuation specialist from Los Angeles.
- WSP has advised on infrastructure requirements and costs.

The project team was led by Andrew Grant, CEO of the Grant Leisure Group who has over 35 years experience in the development and management of movie themed parks and attractions in the United States, Europe and Asia.

During May 2007, the consulting firm of Oliver Wyman has also prepared a due diligence report and valuation which in all material respects confirms the feasibility study and valuations prepared by Grant Leisure Group. Oliver Wyman is among the major consulting firms in the World with 15,000 employees in 40 countries.

The reports from Grant Leisure Group and Oliver Wyman are available in their entirety at [www.europeinvestment.dk](http://www.europeinvestment.dk).

#### *Status as of today*

An agreement has been made with the authorities for the acquisition of the land, and Morocco Film City S.A.'s bank has confirmed availability of funds. Completion of the agreement to transfer the land and payment is pending the resolution by the government of compensation for those persons who are being displaced pursuant to the military move away from the land.

All elements of the construction have been underwritten and / or contracted. The following construction work has already been undertaken:

- The perimeter road on the South side has been widened by 2 meters. This now forms part of the Marrakech ring road.
- The exit from the motorway into the perimeter road is nearly finished on the Casablanca side.

- The link road on the West side between the Site and the off ramp on the Agadir Freeway is being flattened in anticipation of construction.
- The Site has been cleared.
- The north-east access road to the military camp is being built.
- High tension electricity cables have been laid on the top surface ready for being placed underground.
- The sewage plant is ¾ built.
- There is some start of work relating to the rail track upgrading to accommodate TGV trains.

#### **4. Acquisition of Real Property**

Morocco Film City s.a. has made an agreement with the Government of Morocco to acquire a first section of land which is approximately 280 hectares (including perimeter and access highways which will be part of the development but which will remain state owned).

In addition to this there is a non-contractual exchange of letters of understanding that should the project be achieved reasonably within the time frames indicated by Morocco Film City s.a. then at any time Morocco Film City s.a. may acquire a further 200 hectares to the north of the site for what is called the second phase development which may include an ATP tennis and a motor racing circuit desired by the state authorities. The understanding is that the calculation of pricing will be on the same basis as the phase 1 land.

The price of the land is based on zero cost for land used in connection with the film studios, theme parks, sports facilities and green spaces, which the government wishes to encourage with the land being regarded as its contribution/incentive.

The agreed price for the phase 2 land is € 11 million, the equivalent of approximately 9% of its open market value.

The site is empty except for electricity pylons (which will be buried at the government's expense) and there are no rights of way or easements.

There is a neighbouring military site which will move in 2009.

Planning permission has been granted for an 18.5% construction density excluding the film studios and theme parks (excluding their offices and retail).

The government has further committed to build exit roads from the two motorways (due for completion in 2008) to the west and east of the site, feeding into the road to the south of the site which will eventually form part of a ring road around Marrakech. They have further committed to build a new train station and access road for shuttle buses close to the site. The government is also currently constructing a large sewerage treatment plant close to the south-west corner of the site and has agreed that the project will be allowed to use this free of charge and will draw, as a first right, all treated water therefrom. This will be treated in a second Morocco Film City plant adjacent to the government's plant, ensuring that the site (including its golf course) will be completely self-sufficient in water.

The feasibility study prepared by Grant Leisure estimates the value of the infrastructure that the government has agreed to provide at € 54 million.

## **5. Accounting Information, Budgets and Value**

Morocco Film City was established in 2006 and has not yet published any financial information concerning the result for 2006.

The feasibility study prepared by Grant Leisure includes a preliminary valuation of Morocco Film City when fully built out, based on the following assumptions:

- The studio complex including the studios, studio tour and 50,000 square meters of ancillary commercial spaces will achieve a sales yield of around 7% (a stabilisation year EBITDA multiple of 14).
- The Medina retail, restaurants and entertainments (including the proposed Moroccan Gardens theme park) will achieve a similar stabilisation year yield.
- The resort components including the 3 hotels, spa, golf course and sports facilities will achieve a yield of 8% (EBITDA multiple of 12.5).
- The residential will be part sold on the open market, primarily as holiday homes, and part leased with management contract for hotel style letting.
- The net equity value to TMG of the Films produced through the Film Fund totals € 360m.

The report prepared by Grant Leisure concludes that the above assumptions are realistic.

On the basis of these assumptions, the feasibility study concludes the following key figures for the Film City in total when fully built out:

	Stabilisation Year			Multiple	Value	Sales	Estimated Value	Estimated Value	Estimated Cost €m	Estimated Cost €m
	Income	Operating Costs	EBITDA							
<b>STUDIO COMPLEX</b>										
Studios Tour	3,891,169	2,480,933	1,410,236	14.0	19,743,305		19,743,305		16.2	
Studios	2,907,500	590,600	2,316,900	14.0	32,436,600		32,436,600		17.8	
Commercial	8,280,000	1,080,000	7,200,000	14.0	100,800,000		100,800,000		56.2	
								152,979,905		90.3
<b>MEDINA</b>										
Retail, Entertainment & Restaurants	10,023,000	2,896,000	7,127,000	14.0	99,778,000		99,778,000		44.6	
Moroccan Gardens	16,153,898	9,947,401	6,206,497	14.0	86,890,961		86,890,961		76.5	
								186,668,961		121.0
<b>RESORT</b>										
Hotels	25,266,193	18,659,838	6,606,355	12.5	82,579,438		82,579,438		66.4	
Spa/Health & Fitness	2,506,503	2,047,681	458,822	12.5	5,735,275		5,735,275		4.6	
Golf	2,244,796	598,651	1,267,796	12.5	15,847,450		15,847,450		7.1	
								104,162,163		78.1
<b>RESIDENTIAL</b>										
Residential						493,050,000	493,050,000		233.5	233.5
<b>FILM FUND - NET EQUITY VALUE</b>										
							360,000,000	360,000,000		
<b>TOTAL</b>							<b>1,296,861,028</b>		<b>522.9</b>	<b>522.9</b>

As mentioned above, the consulting firm Oliver Wyman has also prepared a due diligence report and valuation. This valuation concludes a total value of € 1,244 million, i.e. approximately 4.3 % less than the valuation made by Grant Leisure Group.

## 6. Capital Structure

The feasibility study concludes that a total of € 586 million will be required for the capital cost of the build-out. These are provided to TMG Inc. as follows:

- € 350 million from TMG shareholders in cash and inguarantees.
- € 82 million by way of discounted land value made available by the Department of Inward Investment of the State of Marrakech.
- € 54 million of infrastructure provided by the Central Government of Morocco.
- € 100 million loan facility with BMCE Bank.
- Total = € 586 million.

TMG has further devised a film financing package to be used with major US studios and independent producers. TMG will provide € 360 million of financing over a first phase period of 5 years which will be matched with € 500million provided by third party film investors.

The € 360 million for the film fund are provided as follows:

- € 160 million provided by Europe Vision Plc to TMG.
- € 200 million provided by Lombard International to TMG.
- Total = € 360 million.

Further details concerning the shareholder structure and agreements with shareholders are included in section 14 below.

## **7. Morocco Film City When Fully Built Out**

Bordering the desert and with stunning views across the city and of the Atlas Mountains, the mix of Moroccan architecture and culture blended with modern entertainment and recreation will offer an exciting lifestyle and environment for residents and visitors alike.

The aim is for fully building out Morocco Film City within 5 years. When fully built, the City will comprise of

- 2,380 apartments, riads (townhouses), condominiums and villas.
- A resort including 3\*, 4\* and 5\* hotels with a total of 750 bedrooms, plus a spa and conferencing facilities.
- A film studio complex with four sound stages, studios, theatres, back lot, film offices, cutting rooms, editing rooms, computer imagery facilities, film processing and equipment centres, plus 50,000 sq.ms of ancillary commercial development.
- A film school, joint ventured with Marrakech University.
- Leisure activities including a film studios tour, pleasure gardens, clubs, cinemas, museums and festivals.
- A mix of European and traditional Moroccan shops, cafes and restaurants comprising of 24,000 sq.m.
- An Institute of Moroccan Arts and Crafts.
- Sports facilities including a championship golf course and water sports.

The following picture shows the project for the Film City when fully built out.





The core aim of the project is to create, for the first time in Morocco, a sustainable centre for all aspects of the movie industry.

The planned activities in Morocco Film City when fully built out are detailed further below.

## **8. Film Activities**

### *The Market for Film Production in Morocco*

One cannot ignore the advantages of Morocco for the film industry with its rich, natural assets. During its peak year in 1999, there were 36 features, 120 shorts and 70 commercials produced in Morocco.

But after 9/11 in the United States, the movie industry in many foreign lands came to a standstill. Crews and talent were afraid to fly anywhere. Several major film projects were cancelled in Morocco.

However, since 2004 directors and major production companies have been flocking to Morocco. According to a market research study conducted by Jeunes du Maroc ([www.jeunesdumaroc.com](http://www.jeunesdumaroc.com)) website, almost 1,200 films have been made in Morocco in the past five years.

### *Morocco Film City's Planned Film Studio*

The working film studio will, when constructed, cover approximately 23,600 square meters that serve the film, television, commercial and video industry.

The studio will be a full-time operation, staffed with a key marketing and business development team.

The film studio will also have four sound stages, which can also be used for corporate parties and as part of the tour when not in use.

The film studio will comprise of complete Production Studios and Back Lot, including

- (1) 5,000 square meters Soundstage.
- (3) 2,000 square meters Soundstages.
- 500 square meters Post Production Studios / Live Studio.
- (2) Screening Theaters 150 seats.
- (1) Screening Theater 300 seats.
- Equipped Carpentry/Scene Shop.
- Costume Shop.
- Prop Warehouse.
- 6,000 square meters Outdoor Set Backlot.
- 200 seat Commissary and Studio Café.
- Production Offices.
- Management Offices.
- Maintenance Facility.
- Dedicated parking.

In addition to the film studio, 50,000 square meters of ancillary production space and offices are planned, including the following:

Entertainment Centre - 10,000 square meters of the following:

- Film production studio offices.
- Talent management companies.
- Morocco State Film Institute (promotion of film production/location shooting in Morocco).
- Film School, funded by the fees charged and Government subsidy.
- Morocco Film Hall of Fame — lionizing the best of Morocco's rich film heritage.
- Morocco Awards Presentation Hall — similar to Kodak Theatre for Hollywood's Academy for the Motion Picture Arts and Sciences.

- Entertainment-based financial/investment firms.

Technology Centre - 30,000 square meters of the following:

- Telecom companies — servicing the top cellular and high-speed Internet technology companies.
- Computer sales and management offices.
- Software companies serving the North African continent.
- Call centres — featuring hi-speed telephone/ordering facilities.
- Energy companies.
- Information services companies.
- Life sciences.
- Nanotechnology.
- Communication and Network technologies.
- Emerging technology centre.
- Morocco Entrepreneur Institute (foundation to help new companies).

Media and Broadcast Studios - 10,000 square meters of the following:

- Media headquarters offices for Morocco media companies (print/broadcast/Internet).
- Broadcast studios — Morocco public and private media companies.
- Digital recording studios.
- Digital production studios.

### *Studio Tour*

The film studio will also be a key element in the Studio Tour, which will be designed as a major tourist attraction similar to those facilities operating today in Hollywood, Orlando, Osaka, Spain and Germany.

It is expected that the studio tour will be an immediate profit-producer once the entire Resort is open for business, and that many of the facilities built for the film studio will be part of the Studio Tour as well.

The strategy for this combined operation is to minimize the initial risk in investment of the build-out.

### *Competing Film Studios*

For the Moroccan film industry, the country offers significant tax advantages and incentives to new production facilities companies, preferential hotel rates, an abundant workforce and low costs for technicians and extras, as well as an army for crowd scenes.

Foreign productions have injected more than \$ 165 million alone in the Ouarzazate region, which is presently the most popular location for film production in Morocco because of its deserts that stretch for miles, the palm grove in Skoura, the oasis in Fint and the general breathtaking beauty of its natural environment. Film shoots account for more than a third of tourism revenue in this region.

Other locations, such as Casablanca, Tangier, Essaouira and, of course, Marrakech, with its glamorous festival, continue to lure film professionals.

In 2001, producer Sarim Fassi-Fhiri started a number of modern studios north of Casablanca.

In 2005, a consortium formed by Italian producer Dino de Laurentiis, the Italian studios of Cinecittà and a Moroccan businessman, Saïd Allag invested in the 160-hectare Cla studios.

In spite of these alternative studios none of them will really compete with Morocco Film City because Ouarzazate lacks sound stages and technology and the other studios are utilized primarily for the in-house production of their owners.

## **9. Film Funding**

The management of the operation of the studio has been granted to Europe Vision Plc pursuant to the contract whereby their wholly owned subsidiary Tritel Media AB acquired 11% of TMG Inc. together with Scandinavian rights (outright) to all motion pictures produced by TMG within the Moroccan facility and for which the Scandinavian rights are available because they have not been pre-sold as part of the financing structure.

It is the business philosophy of TMG Inc. that in order to generate business into the studio complex being constructed, there must be financial incentives offered to producers so that those that have developed projects bring them to Morocco Film City to be made.

Accordingly a film fund has been established by TMG Inc. This has been funded as to € 360 million by TMG Inc. who itself has received these funds from its shareholders Europe Vision Plc and Lombard International.

The management of the Fund has been granted to Europe Vision Plc as part of its overall management responsibilities in connection with the running of the film Studio Complex. All matters relating to choice of product, financial structuring etc. are at the discretion of Europe Vision Plc except that the Fund shall not provide more than 50 % of the financial requirement for any one picture, that recoupement must be in first position against designated rights and/or territories (save that the Fund may recoup pro rata and pari passu with an investment of up to 10% of the budget of the project in question provided by the investment from the film Studios of their services). The balance of production fund must be provided by third parties.

Therefore effectively movie makers can come to Morocco Film City and expect that the Film Fund will provide them with half of their budget and in case of need the Studios may assist further by investing Studio services thereby topping up the investment to 60% of the budget.

## **10. Real Estate Activities**

The Morocco Film City is planned to include the following:

### *Pleasure Gardens*

Pleasure Gardens inspired by Tivoli, but Moroccan-styled.

- 15 hectares of formal gardens, fountains, water features, rides, shows, and amusements.
- Cafes, Tea Gardens, Outdoor Dining Areas.
- Games Pavilion.

### *Aviary*

A 7,000 square meters Conservatory/Aviary of exotic plants, birds, and butterflies with a Water Flume Ride running through.

### *Medina (shopping mall)*

The medina is planned to include the following retail shops:

- 5,000 square meters of Traditional Souk.
- 5,000 square meters of Cultural Retail including museums.

- 5,000 square meters of Fashion Shopping.
- 5,000 square meters of Convenience Shopping.

*Restaurants etc.*

Restaurants, Clubs and Entertainment are expected to include:

- Moroccan Dinner Show.
- American/European Restaurant.
- International Wine Bistro.
- Asian Restaurant.
- Italian Fine Dining Room.
- Multi-Plex Cinema (8 Screens).
- Seasonal Outdoor Screens.

*Lagoon*

The largest water body on the site will be a 7.1 hectare Central Lagoon which will include water fountains, water screen and laser projections etc.

*Hotels*

Planned hotels include:

A 5-Star Resort Hotel with Spa.

- Across the lagoon from the Medina, adjacent to the Championship Golf Course and Golf Clubhouse.
- Views of Golf Course, lagoon and medina
- 200 Luxury Rooms.
- Residential Apartments marketed by the hotel.
- Pool and Water Activity Areas.
- Exclusive integrated Health Spa and Wellness Center.
- Conferencing facilities.

A 4-Star Hotel connected to the south west edge of the Medina Retail, Dining, and Entertainment Venues:

- Authentic Moroccan Architectural Style.

- Luxury Pool and Beach Amenities.
- 250 Rooms and Suites.
- Easy Access to Golf Club and Sports facilities.
- Surface Parking.

A 3-Star Hotel integrated within the Medina, utilizing upper stories of retail shops, eateries, and clubs:

- 300 Rooms.
- Access to Lobby and Reception from main access roadway.
- Adjacent parking.
- Balconies overlooking lagoon, medina streets, and Moroccan Gardens.

#### *Apartments*

2,000 Total Residential Apartments are planned:

- 750 apartments on Upper Floors of Medina, overlooking street, lagoon, and Moroccan Gardens
- 1250 apartments and condominiums in two clusters adjacent to the resort complex.

380 Villas are planned, situated along perimeter boulevard, lakeside, and golf course with views to the lagoon and medina, and Atlas Mountains beyond:

- Private terraces and pool areas.
- Access to Golf Club and preferred Golf Course use.
- Luxury Villas 200 to 260 square meters each on 500-1,000 square meters plots.
- Lakeside/Golf Townhouses 135-160 square meters clustered in groups of 30-40 (riads) each with its own pool, play areas, and snack bar.
- All villas will blend into the landscape and will have foliage gardening that will hide their existence from view when looking up towards the golf course and hills.

#### *Sports facilities*

Hotel guests, residents and visitors will be able to enjoy a wide range of sports facilities including:

- 18 Hole Championship Course( approx. 7,000 meters).
- Driving Range.

- Athletic and Fitness Club.
- Tennis and squash courts.
- Jogging and Fitness Trails.

## **11. Market for Real Estate Activities**

The real estate activities are primarily focused on tourists. The following will therefore describe the market for tourists in Morocco generally and Marrakech in particular.

### *Latest developments in tourism in Morocco*

6.5 million tourists visited Morocco in 2006, compared to 5.9 million in 2005 and 4.3 million in 2001.

3 million were international tourists, 3.5 million were Moroccans resident abroad.

Overnights in Moroccan hotels increased by 7% and the occupancy rate saw a 2% increase over the previous year. Non-resident overnights grew by 9%.

Over the course of the year 2006, 8.5 million passengers transited through Morocco's airports. This represents a 1.33 million passenger increase over the previous year.

### *The plans of the Moroccan government*

Morocco has a rich tradition of hospitality, culture, breathtaking landscapes and over 3,400 kilometres of coastline that make the country one of the most diverse tourist destinations in the world. However, much of Morocco's visitor-drawing potential has yet to be realised, and to this end the government has launched an aggressive series of plans and implemented legislative changes that should help fulfill the country's tourism ability.

An agreement between the government and the employer's union (CGEM) under the title 'Tourism: vision, challenge, determination', outlines the objective of attracting 10 million tourists by 2010.

In order to cater for this growth, Morocco's tourism infrastructure is being dramatically improved. However, Morocco is targeting the middle to upper tourism bracket, and aims to avoid mass tourism on a scale that is likely to damage the country's image and resources. The government has particularly emphasized the need to diversify seaside tourism in order to compete with similar resorts in the Mediterranean and the Red Sea.



This growth is in-line with ambitious plans to increase Morocco's current capacity of 80,000 hotel rooms to 240,000 rooms within a decade – tripling capacity. The demand for additional accommodation is expected to come particularly from France and the rest of Europe.

The hospitality industry is also gearing up to ensure that service levels are maintained as greater numbers of tourists arrive in Morocco. More than 75,000 young Moroccans will undergo formal training in the hospitality sector in the run up to 2010. Almost 30 % of this number have already begun tourism related courses.

In December 2005 Morocco became the first non-European country to sign an Open Sky agreement with the European Union and this policy is expected to open up the aviation sector to yet more foreign and new domestic operators.

### *Tourism in Marrakech*

Marrakech is rapidly becoming one of the world's great tourist destinations – an international luxury resort destination with global recognition – benefiting from being within approximately three to four hours' flying time of most European cities.

The following facts underline this:

- An estimated 2 million tourists visited Marrakech last year and 3.5 million are expected by 2010.
- Hotel guests totalled 1.5 million during 2006 and overnight stays in hotels reached 5.7 million.
- Marrakech attracts visitors year round and is becoming a popular MICE (Meetings Incentives Conventions and Exhibitions) destination.
- There was a 14 % increase in hotel beds for the city of Marrakech over the previous year (2005).
- The occupancy figures for Marrakech hotels was 68 % in 2006.
- Marrakech hotels saw a 16 % increase yielding 57,000 additional overnights.
- In 2006 Marrakech Airport saw a 26 % increase in passenger movements over the previous year.

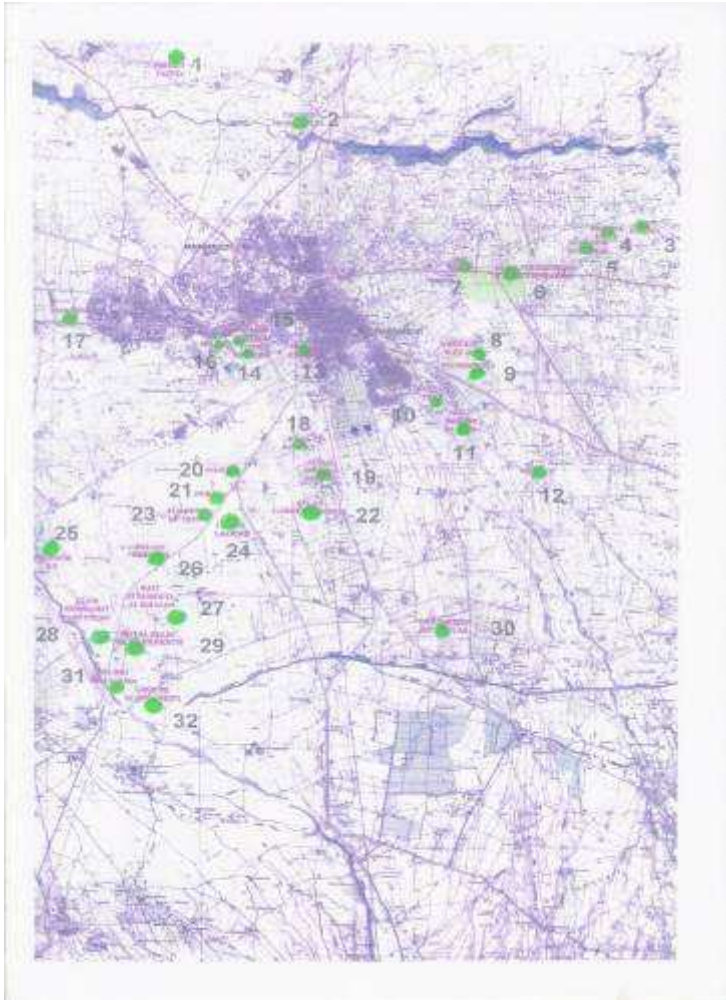
## **12. Competitors for Real Estate Activities**

Marrakech currently has a supply of around 32,000 hotel rooms. Marrakech is expected to increase hotel room supply by 7,000 by 2010 with 54 new hotel projects announced or underway. The major new announced projects include the following:

- Aguedal, which is located to the south of the city on the edge of the city limits, will be a mixture of hotel accommodation, a congress centre, residential accommodation, leisure facilities and some commercial development. The site will be dominated by hotel developments, which will create approximately 3,000 new hotel rooms through the construction of a total of 17 four-star and five-star hotels. All of the sites earmarked for hotels have been acquired by developers or operators, and much of the development has already started. According to the plan, the entire development of the Aguedal project has to be finished by the beginning of 2009.
- Chrifia, a new tourist zone in Marrakech that has just completed its initial planning stage, and will spread over 286 hectares within the city boundaries. Studies are currently in progress on commercial tenders and future marketing of the area. The tourism zone will accommodate five and four-star hotels, hotel apartments, restaurants, conference facilities, sports clubs, travel facilities and offices. A public transport system will carry tourists from the district up into the centre of the city.
- La Palmeraie will, over 24 hectares, offer 9,000 beds and a vast range of activities including golf and conference facilities. La Palmeraie's accommodation will consist of small, one storey buildings that will be designed with a Moroccan flavour and blend in with the landscaping. Exclusivity is the marketing hook, with the upper section of the tourist market being the prime target. The majority of the resort's 24 hectares will be planted with mature olive trees, which will include restaurants, an extensive spa, a conference centre, running track and various sports halls.
- The € 1.04 billion 'Gateway to Morocco' project will comprise an equestrian centre in Marrakech and a resort in Tangiers. The 38-hectare (94-acre) Marrakech Equestrian City will boast a mixed-use sporting and leisure complex featuring a horseracing track and grandstand as well as villas and apartments.
- The Four Seasons Hotel and Resort in Marrakech is a luxury five-star resort, scheduled to be opened in 2008. The complex started construction in early 2005 and will consist of the hotel and amenities as well as a series of five-star villas, some of which are to be sold to private ownership and then fully serviced by Four Seasons. This luxury development of 40 properties will offer a choice of two- and three-bedroom riads (townhouses) and detached three- and four- bedroom villas. Each property will feature a central courtyard and will be finished to the highest standards, offering the best in both indoor and outdoor living.
- Amelkis, a luxury residential golfing development in Marrakech, has announced a further phase of development.

The locations of the major real estate projects announced or underway is illustrated in the following:

1	Morocco Film City	17	Marjane II
2	Idou Hotel project	18	Kima Resort
3	Jnan Tahma	19	Agdal Medina Resort
4	Medina Club	20	Oasiria
5	Domaine D'Abraje	21	Pursan
6	Zaharrat El Nakhil	22	Atlas garden Resorts
7	RIU Tikida	23	Acadmie de Tennis
8	Amelkis 2&3	24	Latsis Group
9	Mandarona	25	Assoufid BV
10	Banyan Tree	26	Palais Berbere
11	Golf Resort Palace	27	Bait Attaouil Al Khaliji
12	Orence	28	Club Tamesloht Partners
13	Orient Express	29	Royal Palm de Marrakech
14	Four Seasons	30	Les Jardins de L'Atlas
15	Leoardo da Vinci	31	Studio de Cinema
16	Hilton	32	Groupe Alain Creen
		33	Triganew



### **13. Organisation structure and management**

The development team behind the Morocco Film City project is TMG Inc. and its wholly owned Moroccan subsidiary Morocco Film City s.a (“MFC”).

Key participants in the development team include:

- David Lowe, founder of Beresford Lowe & Co, a legal company specialising in media, and president of Europe Vision plc, a UK listed company which has supplied € 160 million for the project. David has participated in the production and financing of over 500 movies including Platoon, The Last Emperor, Terminator, Schindler’s List and Ghandi.
- Sanji Tandan, president of TGM Music and formerly Head of Warner Brothers music and Publishing in Scandinavia. Sanji is also a member of the Board of Directors of Europeinvestment A/S until 1 June 2007.

- Ahmed Benkirane, former senior Moroccan Government Minister, ambassador and president of the Moroccan Confederation of Employers (CGEM).
- Simone Haggiag, son of Robert Haggiag the former owner of Warner Brothers and one of the great international film producers. Simone has successfully combined careers in finance, film production and music.
- Mel Morris, an internationally known developer of shopping malls, villas and golf in Europe, the United States and Asia.
- Castro Khatib, initiator of the project. Castro is also the managing director of Europeinvestment A/S.
- Robert Haggiag, former owner of Warner Brothers and current owner operator of film studios with his son Simone.
- Michael Solomon, industry guru for television and electronic media, former owner of Lorimar Telepictures and president of international television for Warner Bros.
- Michel Thoulouze, former operations president of Canal+.

#### **14. Shareholdings and Significant Agreements**

TMG Inc. has summarized the agreements in relation to the shareholding of TMG Inc. as follows:

*Cadrian Inc.*, representing Moroccan interests, has received 10 %.

*David Lowe* as manager has received 10 %.

*Europe Vision Plc* has through its subsidiary Tritel Media AB received 11 % plus Scandinavian rights to the films produced, against a payment of a total of € 160 million.

*Lombard International* has received 17.5 %, against underwriting € 40 million against Film City construction, and € 100 million toward the filmfund.

*Midland Services* has received 2.5 %, a holding on behalf of Lombard and its clients' participation in the € 40 million and € 200 million set out above but in portions unknown to TMG Inc.

*Aladdin Investment Services Ltd.* has received 49 % in return for underwriting € 310 million towards construction of the Film City, of which € 9 million has been drawn in respect of the land purchase, together with a loan facility to TMG Inc. of € 8 million for start-up costs, of which approximately € 2.1 million has been drawn and spent.

## **15. Risks**

Based on the information received from TMG Inc., the Board of Directors of Europe investment A/S has concluded that the following risks exist in connection with Morocco Film City. The following list shall not be considered exhaustive and is not stated in order of priority.

### *Ownership*

As mentioned above under item 3 above, the transfer of ownership of the land has not yet been completed. There is a risk that the transfer of ownership may be delayed (or may not be effected at all) and that the development of Morocco Film City may suffer delays or other adverse consequences.

### *Tourism*

The establishment of Morocco Film City is a part of the Government of Morocco's plans to increase the number of tourists in the country. Even though the current market analysts have confidence in the plans succeeding in whole or in part, there is no certainty that the number of tourists will increase. In that event, the increased number of hotels etc. may cause the market to suffer, thereby also affecting Morocco Film City.

The development in the number of tourists may also be affected by singular occasions, such as acts of terrorism, or by more fundamental changes, such as a change in the political regime in Morocco.

### *Synergies*

Morocco Film City is a whole complex where each part of the complex is planned to benefit of the other parts' success. Thus, if the film production is a success, the film city tour may

draw tourists to other parts of the Film City, and if the other parts of the Film City is a success, tourists may also be drawn to the Film City tour etc. This synergy effect may, however, not be as significant as expected. Furthermore, if one part of the complex does not have the success anticipated, the other parts may be adversely affected.

### *Infrastructure*

The Government of Morocco has committed itself to providing the infrastructure needed. However, there is no certainty that this infrastructure will be provided within the time frames presently expected, which may affect the profitability of Morocco Film City.

### *Financing*

As mentioned above, some of the financing for the project has not yet been provided by the investors and/or lenders. There is thus a risk that the financiers may decide not to provide the required financing, in which case the establishment of the Film City may be jeopardized.

### *Development Risks*

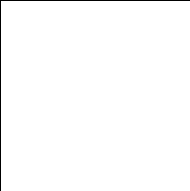
The description of the Film City project above has been based on the recommendations made by Grant Leisure Group. Although the Board of Directors of Europeinvest A/S expects that TMG Inc. will follow the recommendations, there is no certainty that the recommendations will be followed by TMG Inc. or that the project will be carried out as recommended. If not, the expected increase in value will not occur. There is also the risk that the project will be changed during the construction phase and that such changes will cause extra costs.

### *Construction Risks*

The construction of the Film City may become more costly or take longer than anticipated which may, in turn affect the profitability of the business.

### *Exit Risks*

Even though there are presently being made significant investments in Morocco by foreign investors, there is no certainty that this will continue. It may thus become difficult to exit from the Morocco Film City investment, for instance if the current stable political environment in Morocco were to change.



*Film Funding*

A major part of the financing provided to TMG Inc. will be invested in funding films produced at Morocco Film City. To a large extent, the success of TMG Inc. will therefore depend on the success of the films produced at the Film City. The valuation of the property assumes that the film funding activities will be cost neutral. However, there is a risk that the film funding activities will cause losses. It may, however, be noted that there is also a potential for a significant upside for both Europe Vision Plc and TMG Inc. if the film funding activities are successful.

**16. Effect for Europeinvestment A/S**

The matters mentioned in this notification have not caused the Board of Directors of Europeinvestment A/S to change its view as to the realistic net proceeds in connection with Europeinvestment A/S' sale of its shares in Europe Vision Plc.

Questions may be made to managing director Castro Khatib at telephone 0046 8 545 00140.

Europeinvestment A/S