ei invest properties - *Berlin I* GmbH & Co. KG # Registration number HRA84964

ANNUAL REPORT # 2011

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Management's review

Development in finances

ei invest properties – *Berlin I* GmbH & Co. KG's profit for the financial year 2011 is EUR 996k compared to a profit of EUR 540k in 2010. The profit for the year has been revised upwards during the year, and the Board of Directors therefore considers the performance satisfactory in a market still influenced by the financial crisis.

The Company has in 2011 prepared an internal valuation of the property portfolio in connection with preparation of these financial statements which resulted in a valuation of EUR 180,100k at 31 December 2011.

New benchmark rent levels ("Mietspiegel") for Berlin were issued in May 2011 which enabled the Company to implement rental increases from September 2011. Total rent increases in 2011 represent EUR 333k compared to 2010.

During 2011, the Company continued to follow a planned maintenance programme. In addition to refurbishment of individual units when they become vacant due to the natural flow of tenants moving in and out, improvements have been made to several properties including painting of exterior doors, windows and wooden facades, and removal of chimneys. The investments have had a positive effect on reletting.

The Company has identified a group of flats that have been vacant for a longer period and installed new kitchens and bathrooms. This has had a positive impact on reletting of these units.

The effect of the maintenance programme combined with a strong demand for residential in Berlin has been a reduction of the vacancy rate and at the start of 2012, the vacancy rate for the total portfolio was under 2.5%.

The average vacancy rate for the total portfolio represented less than 2.5% in 2011. In 2011, the Board of Directors has still made initiatives to reduce the vacancy rate, and the development for the portfolio has been better than the general development on the residential market in Berlin.

Interest rates continue to be low and the Company has benefited from lower than expected interest costs relating to the junior loan in 2011.

Development in activities

The composition of the property portfolio is unchanged since the acquisition by the end of 2005.

HIGHLIGHTS 2011

- Profit for the year represents EUR 996k
- Rent increases of EUR 333k
- Vacancy rate below 2.5% by the end of 2011

Board of Directors

Michael Kaa Andersen, Chairman
Lars Thylander, Vice-Chairman
Carsten Viggo Bæk
Kurt Petersen

The Board of Directors continue to optimise the property portfolio through various initiatives.

Initiatives to increase the value of the portfolio and influence the rent level in a positive direction are examples of the topics that are discussed with the company and the property administrator. Regular follow-up meetings are held with the property administrator with participation of the company administrator and the Board of Directors in order to maintain constant focus on optimising the property portfolio.

In the financial year 2011, the Company has incurred EUR 1,613k of property and maintenance costs, compared to EUR 2,352k in 2010.

Events after the end of the financial year

No significant events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Outlook 2012

The Board of Directors will in 2012 continue the initiatives on maintenance work which have contributed to maintaining the high letting rate for the entire portfolio, including refurbishment of individual flats. Improvements to roofs, facades and windows are planned for specific properties in 2012. The Board of Directors expects higher property and maintenance costs in 2012 compared to 2011.

The Company's budget for 2012 is based on an expectation of the present activity level in German economy being maintained in 2012.

The Board of Directors expects an increased rental level for 2012 as the new benchmark rent levels in Berlin issued in May 2011 and implemented in September 2011 have a positive effect for the whole year. Despite continued good development trends in Berlin, however, vacancy periods will occur for the individual tenancies on moving in and out as a natural refurbishment thereof will be carried out.

The profit for the year before value adjustments for 2012 is expected to be at the level of EUR 700k to 900k.

Estimates for 2012 are based on the present expectations of future matters and are accordingly subject to risks and uncertainties. This may result in actual financial performance deviating significantly from the expectations.

The Company has continuously maintained the property portfolio and overall observed a planned maintenance programme. The Board of Directors is familiar with new legislation on requirements of insulation of ceiling areas. In the winter of 2010/2011, the Board has conducted a pilot project in some properties. The rest of the portfolio will be considered in 2012 as there have been some changes to the implementation of the new legislation.

The planned investments in the overall maintenance programme help maintain the high rental level and the value of the total property portfolio. The Board of Directors will continue the efforts to optimise the rental potential through tight management of the maintenance programme.

VACANCY RATE 2011

In the Board of Director's assessment, people will be moving to Berlin, including students from all over Germany, but also flow from other EU countries, and accordingly, increasing demand for residences in Berlin is expected.

Key elements of the Company's internal control and risk systems in connection with the financial reporting process

The Board of Directors are responsible for risk management and internal controls in connection with the financial reporting process, including compliance with relevant Danish law and other rules and regulations.

The purpose of the Company's internal control and risk management systems in connection with the financial reporting process is to ensure that the process is undertaken in compliance with the International Financial Reporting Standards (IFRS) and other statutory accounting provisions applicable to companies whose bonds are listed on a stock exchange.

The internal control and risk management systems should increase the probability that significant misstatements and irregularities are detected and corrected, but provide no such assurance.

Corporate Social Responsibility

The Company is aware of its corporate social responsibility. The Company has not drawn up any CSR policy.

Corporate Governance

The Board of Directors make ongoing efforts to develop good Corporate Governance, due regard being had to law and regulations in force from time to time as well as prevailing practices.

The Company has no Corporate Governance codex.

Members of the Board of Directors are elected for a term of one year at the time and are eligible for re-election. The Board of Directors appoints a chairman and lays down rules of procedure for the performance of its duties

The Board of Directors performs its duties in accordance with the Company's rules of procedure. The members of the Board of Directors meet whenever the chairman finds it required.

At meetings of the Board of Directors, business issues of relevance to the Company are discussed.

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

LEDELSESBERETNING

Økonomisk udvikling

ei invest properties – *Berlin I* GmbH & Co. KG's resultat for regnskabsåret 2011 blev et overskud på TEUR 996 mod et resultat på TEUR 540 i 2010. Resultatet er opjusteret i løbet af året, hvorfor bestyrelsen finder resultatet tilfredsstillende i et marked, der stadig er præget af den finansielle krise.

Selskabet har i 2011, i forbindelse med udarbejdelse af nærværende regnskab, udarbejdet en intern værdiansættelse af ejendomsporteføljen, hvilket har resulteret i en værdiansættelse på TEUR 180.100 pr. 31. december 2011.

På baggrund af det nye "Mietspiegel", som blev offentliggjort i maj 2011, er der gennemført lejeforhøjelser på tværs af ejendommene fra og med september 2011. De samlede lejeforhøjelser i 2011 udgør TEUR 333 i forhold til 2010.

Selskabet har i 2011 fulgt et planlagt vedligeholdelsesprogram. Enkelte lejligheder er renoveret i ledige perioder mellem ind- og fraflytning og derudover er flere af ejendommene moderniseret med fokus på maling af udvendige døre, vinduer, træfacader samt fjernelse af skorstene. Disse investeringer har haft en positiv effekt på genudlejningen.

Selskabet har udvalgt en række lejligheder, som har været ledige i en længere periode, og installeret køkkener og badeværelser, hvilket har haft en positiv indvirkning på ledighedsgrad.

Vedligeholdelsesprogrammet kombineret med god efterspørgsel efter boliger i Berlin har betydet en reduktion i tomgangsprocenten og ved indgangen til 2012 var ledighedsprocenten for den samlede portefølje under 2,5%.

Den gennemsnitlige ledighedsprocent for den samlede portefølje har i 2011 været under 2,5%. I 2011 har bestyrelsen fortsat iværksat tiltag for at reducere ledighedsprocenten, og udviklingen for porteføljen har været bedre end den generelle udvikling på boligmarkedet i Berlin.

Renteniveauet er fortsat lavt og finansielle udgifter på selskabets junior lån har været lavere end forventet i 2011.

Udvikling i aktivitet

Ejendomsporteføljens sammensætning er uændret siden anskaffelsen ultimo 2005. Bestyrelsen optimerer løbende ejendomsporteføljen gennem forskellige initiativer.

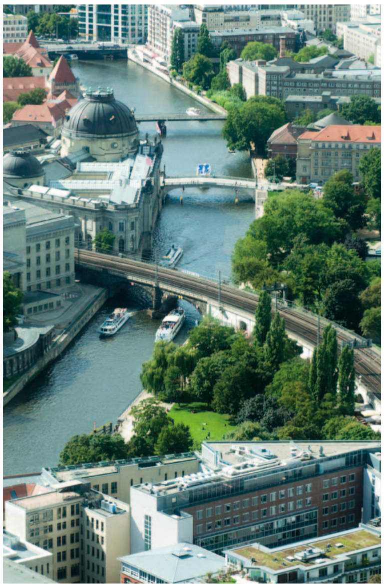
Initiativer som kan øge porteføljens værdi og påvirke lejeniveauet i positiv retning er tiltag som drøftes regelmæssigt med selskabsadministrator og ejendomsadministrator. Bestyrelsen fastholder konstant fokus på optimering af porteføljen blandt andet via jævnlige opfølgningsmøder med deltagelse af bestyrelsen, selskabsadministrator og ejendomsadministrator.

HOVEDPUNKTER 2011

- Årets resultat er TEUR 996
- Lejeforhøjelser på TEUR 333
- Ledighedsprocent under 2,5% ved udgangen af 2011

Bestyrelsen

Michael Kaa Andersen, formand
Lars Thylander, næstformand
Carsten Viggo Bæk
Kurt Petersen



Selskabet har i regnskabsåret 2011 afholdt TEUR 1.613 til ejendoms- og vedligeholdelsesomkostninger mod TEUR 2.352 i 2010.

Begivenheder efter regnskabsårets afslutning

Der er fra balancedagen og frem til i dag ikke indtrådt væsentlige forhold, som forrykker vurderingen af årsrapporten.

Forventet udvikling 2012

Bestyrelsen vil i 2012 fortsætte de tiltag omkring vedligeholdelsesarbejder, der har bidraget til at opretholde den høje udlejningsprocent for hele porteføljen, herunder renovering af enkelte lejligheder. Istandsættelse af tag, facader og vinduer er planlagt for udvalgte ejendomme i 2012. Bestyrelsen forventer højere vedligeholdelsesomkostninger i 2012 i forhold til 2011.

Selskabets budget for 2012 er baseret på en forventning om at den nuværende aktivitet i tysk økonomi opretholdes i 2012.

Bestyrelsen forventer højere lejeindtægter i 2012 som følge af det nye "Mietspiegel", som blev offentliggjort i maj 2011 og implementeret i september 2011, hvilket vil få en positiv effekt for hele 2012. På trods af fortsat gode udviklingstendenser i Berlin vil der opstå ledighedsperioder for lejemål i forbindelse med modernisering ved ind- og fraflytning.

Årets resultat før værdireguleringer for 2012 forventes at blive i niveauet TEUR 700-900.

Estimater for 2012 bygger på nuværende forventninger til fremtidige forhold, og er derfor underlagt risici og usikkerheder. Dette kan medføre at de aktuelle resultater kan afvige væsentligt fra forventningerne.

Selskabet har løbende vedligeholdt ejendomsporteføljen og overordnet fulgt et planlagt vedligeholdelsesprogram. Bestyrelsen er bekendt med ny lov om krav til isolering af loftarealer. Bestyrelsen har foretaget et testprojekt vedrørende isolering i vinteren 2010/2011 i udvalgte ejendomme, og vil tage stilling til resten af porteføljen i 2012, idet der er sket ændring i implementering af lovgivningen.

De planlagte investeringer i det samlede vedligeholdelsesprogram er med til at fastholde det høje udlejningsniveau og værdien af den samlede ejendomsportefølje. Bestyrelsen vil fortsætte bestræbelsen på at optimere udlejningspotentialet gennem stram styring af vedligeholdelsesprogrammet.

Det er bestyrelsens vurdering at der vil ske en tilstrømning af indbyggere til Berlin, herunder studerende fra hele Tyskland, men også tilstrømning fra andre EU lande, hvorfor der forventes en stigende efterspørgsel efter boliger i Berlin.

Hovedelementerne i selskabets interne kontrol- og risikostyringssystemer i forbindelse med regnskabsaflæggelsen

Bestyrelsen og direktionen har det overordnede ansvar for risikostyring og intern kontrol i forbindelse med regnskabsaflæggelsesprocessen, herunder overholdelse af relevant lovgivning og anden regulering i relation til regnskabsaflæggelsen.

Formålet med selskabets interne kontrol- og risikostyringssystemer i forbindelse med regnskabsaflæggelsen er at sikre, at regnskabsaflæggelsen sker i henhold til International Financial Reporting Standards (IFRS) og anden regnskabsregulering gældende for selskaber med obligationer noteret på børsen.

Det etablerede interne kontrol- og risikostyringssystem skal øge sikkerheden for at væsentlige fejl eller uregelmæssigheder opdages og korrigeres, men giver dog ingen garanti for at sådanne fejl og uregelmæssigheder opdages og korrigeres.

Samfundsansvar

Selskabet er bevidst om sit ansvar over for samfundet. Selskabet har ikke nedsat politikker for samfundsansvar.

Corporate Governance

Bestyrelsen arbejder løbende med udvikling af god selskabsledelse under hensyntagen til den til en enhver tid gældende lovgivning og udvikling i praksis.

Selskabet anvender ikke noget kodeks for virksomhedsledelse.

Bestyrelsen vælges for et år ad gangen og kan genvælges. Bestyrelsen vælger en formand og fastsætter selv sin forretningsorden.

Bestyrelsen udfører sit arbejde i henhold til selskabets forretningsorden. Bestyrelsesmøder afholdes når formanden skønner det nødvendigt. På bestyrelsesmøder gennemgås forretningsforhold vedrørende selskabet.

Financial highlights

EUR 1,000	2011	2010	2009	2008	2007	2006
Comprehensive income statement						
Rental income	12,666	12,333	12,093	11,523	11,075	10,988
Fair value adjustments of investment properties	45	(14)	0	(35)	30,854	49
Operating profit	7,794	7,123	8,458	6,183	37,697	7,401
Net financials	(6,798)	(6,583)	(6,888)	(8,019)	(7,770)	(7,308)
Profit for the year	996	540	1,570	(1,836)	29,927	93
Balance sheet						
Investment properties	180,100	180,055	180,000	180,000	180,000	149,000
Investment in fixed assets	0	69	0	35	146	(49)
Equity	40,056	39,060	37,576	36,006	36,768	6,841
Total assets	184,756	184,252	182,758	182,259	182,121	150,766
Ratios						
Return on equity	2.5%	1.4%	4.3%	(5.0%)	137.3%	1.4%
Equity to debt ratio	21.8%	21.3%	20.6%	19.8%	22.1%	4.5%
Stock-related key figures						
8% **ei** invest *Berlin I* 2017						
Price at 31 December	90.0	88.0	110.0	111.0	111.0	111.5
Price at issuing 1 December 2005	100.0	100.0	100.0	100.0	100.0	100.0
9% **ei** invest *Berlin I* 2017						
Price at 31 December	92.0	91.5	104.0	104.0	104.0	110.0
Price at issuing 1 December 2005	100.0	100.0	100.0	100.0	100.0	100.0

Portfolio information

The portfolio is geographically located in five districts in Berlin. An area overview is shown overleaf.

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

In 2011, the total average vacancy rate for the portfolio was 2.33% based on the rental income. This level is considered low in comparison with the general vacancy in residential units in Berlin.

PROPERTY PORTFOLIO INFORMATION

	Area, m²			
District	**Residential**	**Commercial**	**Parking etc.**	**Total**
Charlottenburg-Wilmersdorf	22,700	56	1,096	23,852
Mitte	52,191	1,066	232	53,489
Reinickendorf	22,768	232	7,785	30,785
Spandau	87,741	2,133	16,404	106,278
Treptow-Köpenick	15,565	32	0	15,597
Total	**200,965**	**3,519**	**25,517**	**230,001**

The characteristics of the portfolio besides the above are:

- 4,032 residential units with an average floor space of approx. 50 m². The majority are 1½-2½ room apartments.
- 61 commercial units and 336 garages, parking lots, etc.
- Total residential area of approx. 200,965 m².
- Monthly net rent amounts to an average of approx. EUR 5.25 per m². The total monthly rent for an average apartment is EUR 261. In addition to this, the tenant pays operating costs (heating, water, etc.), which are on average approx. EUR 2.91 per m² per month. The annual rent below has been stated as the total potential rent.

CHARLOTTENBURG-WILMERSDORF

Number of units	566
Population	320,500
Rental area, m²	23,852
Annual rent, EUR 1,000	1,413

MITTE

Number of units	1,171
Population	333,200
Rental area, m²	53,489
Annual rent, EUR 1,000	3,454

REINICKENDORF

Number of units	601
Population	241,500
Rental area, m²	30,785
Annual rent, EUR 1,000	1,494

PROPERTY OVERVIEW

SPANDAU	
Number of units	1,739
Population	226,200
Rental area, m²	106,278
Annual rent, EUR 1,000	5,615

TREPTOW-KÖPENICK	
Number of units	352
Population	242,600
Rental area, m²	15,597
Annual rent, EUR 1,000	1,050

Charlottenburg-Wilmersdorf:
Property complex no. 1-2

Mitte:
Property complex no. 3-11

Reinickendorf:
Property complex no. 12-14

Spandau:
Property complex no. 15-20

Treptow-Köpenick:
Property complex no. 21

Group structure

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

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

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

Potential conflict of interest

In **ei** invest properties – *Berlin I* GmbH & Co. KG's opinion, no actual or potential conflicts exist between the Company and members of the Board in spite of the match with the ultimate ownership of the property portfolio.

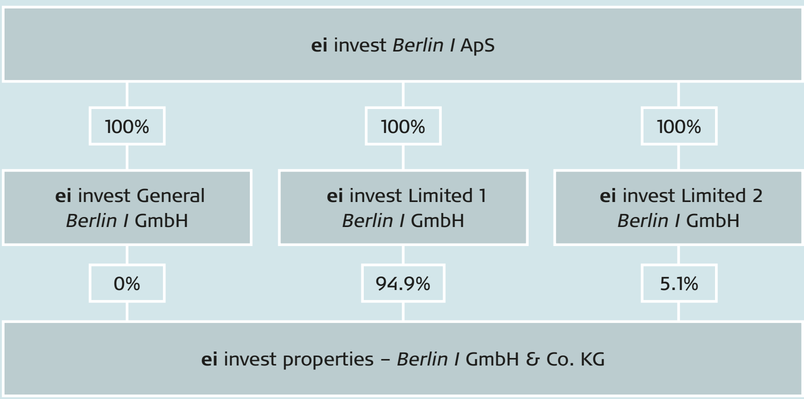
Advisor and administration

ei invest properties – *Berlin I* GmbH & Co. KG has signed an agreement with EjendomsInvest (Proark Group) regarding financing services and company management. According to this agreement, EjendomsInvest is adviser to the Company concerning management of the portfolio. In addition, EjendomsInvest has advised the Company in connection with the acquisition of the portfolio as well as with the establishment of the total financing of the portfolio.

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

The former owner of the portfolio was GSW. After **ei** invest properties – *Berlin I* GmbH & Co. KG's acquisition

GROUP STRUCTURE



of the portfolio, BWG is still in charge of the daily property management. The high level of knowledge of the portfolio is thereby still maintained. The Board makes continuous efforts to ensure that the property management is handled professionally and satisfactorily.

The Board has entered into a contract with the property manager with integrated incentives that set requirements for the property management. The Board will continuously review whether the property management is handled professionally and satisfactorily.

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

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

THE BOARD OF DIRECTORS

Michael Kaa Andersen

CHAIRMAN SINCE 2005

DATE OF BIRTH: 6 January 1957

PROFESSION: Owner of the Proark Group.

POSITION OF TRUST: Board member/ Chairman of several companies within the Proark Group. Board member among others of investment fund **ei** invest *european retail*.

Lars Thylander

DATE OF BIRTH: 11 August 1962

PROFESSION: Chairman and owner of the Thylander Group.

POSITION OF TRUST: Board member of Victoria Properties A/S, Chairman of Thylander & Company A/S and Chairman of several companies within the Thylander Group.

Kurt Petersen

DATE OF BIRTH: 30 January 1961

PROFESSION: Director, CEOs Office.

POSITION OF TRUST: Board member of several companies within the Proark Group, among these, Ejendomsselskabet Mercur A/S, Ejendomsselskabet Odin A/S, K/S Snekkersten Hotel & Spa, Comwell Borupgaard A/S and Comwell Klarskovgaard A/S.

Carsten Viggo Bæk

DATE OF BIRTH: 11 February 1972

PROFESSION: CEO of the Thylander Group.

POSITION OF TRUST: CEO and board member of several companies within the Thylander Group.

Risk elements

Control of specific risks
A range of risks may influence **ei** invest properties – *Berlin I* GmbH & Co. KG's financial position. The Company seeks to actively manage these risks to ensure the best results for the bond owners and other partners.

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

Macroeconomic risks
Macroeconomic risks, which relate to possible changes in the general development in overall national economic elements, among these, primarily interest and currency issues. These are addressed by **ei** invest properties – *Berlin I* GmbH & Co. KG taking out a fixed-rate 10-year bullet loan. Furthermore, the senior loan and junior loans are raised in EUR, and thereby, assets and liabilities, besides the bond loan which is in DKK, are in the same currency.

Property-specific risks
Property-specific risks relate to elements, such as the portfolio's acquisition and selling amounts, vacancy, rent regulations and maintenance costs. The Company has been seeking to meet these operational risks by entering into an incentive-based agreement with the property manager. A complete technical due diligence of the portfolio was performed in connection with the acquisition, and subsequently, the total amount was allocated over the period of 10 years. Furthermore, the rent regulation rate applied in the budget is at the same level as the historical inflation rate over the last 10 years. Acquisition and selling prices of the portfolio, among others, depend on demand for and supply of residential properties plus the macro economic development in Germany and especially Berlin.

Financing risks
Financing risks relate to elements of a financing nature, for example, elements related to refinancing, the senior loan and the junior loan plus the fixing of the price of the bonds, etc.

ei invest properties – *Berlin I* GmbH & Co. KG has maintained the right to make early redemption of the bonds, for example, as a consequence of the senior and junior loans falling due on 31 October 2015. Trading with the bonds is marked by the actual supply and demand situation, which in periods may be influenced by the bonds' low liquidity, which again may impact the fixing of the listed price on Nasdaq OMX Copenhagen. The Company seeks to manage this risk by diversifying the bonds across various investors. In the period from the listing to the expiry date, the Company is not able to guarantee that the listed price of the bonds established on Nasdaq OMX Copenhagen corresponds to the asked price nor to the redemption price.

Company-related risks
Company-related risks concern the property managers' and/or the financial company managers' ability to fulfil their obligations towards the Company. **ei** invest properties – *Berlin I* GmbH & Co. KG manages these risks by the property management agreements being based on incentive-based conditions.

Political-legal risks
Political-legal risks among others relate to approvals from German authorities, amendments to law, tax law, etc. Amendments to tax law, for example, the corporation tax rate, the VAT rate, statement and calculation of tax depreciation regarding properties and regulations on the companies' capital position plus interest deductibility are possible risks which the Company has no influence on.

RISK INFLUENCING

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

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

Other risks than the above mentioned may arise.

Bond terms

ei invest *Berlin I* is one investment product among others under the brand **ei** invest. The purpose of the brand **ei** invest is to create the opportunity for investors to make investments in different types of properties with available funds as well as pension funds. This way, investors obtain an opportunity to invest even minor amounts in properties selected on the basis of solid adviser competency within the field of property investments.

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

ISIN code and capital position
ei invest *Berlin I* 8% bonds are listed on Nasdaq OMX Copenhagen under the symbol "8eiBerlinI17" and the ISIN code is DK0030015474.

ei invest *Berlin I* 9% bonds are listed on Nasdaq OMX Copenhagen under the symbol "9eiBerlinI17" and the ISIN code is DK0030015557.

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

Development in listing price

ei invest *Berlin I* 8% ended the year 2011 at a price of 90.0 according to Nasdaq OMX Copenhagen, which is an increase of 2.0 points compared to the beginning of 2011.

ei invest *Berlin I* 9% ended the year 2011 at a price of 92.0 according to Nasdaq OMX Copenhagen, is an increase of 0.5 points compared to the beginning of 2011.

Trading with the bonds is marked by the current supply and demand situation, which in 2011 has been marked by relatively low liquidity, which again has an impact on the fixing of the listed price. In the period from the listing to the expiry date, **ei** invest properties – *Berlin I* GmbH & Co. KG is not able to guarantee that the price of the bonds determined on Nasdaq OMX Copenhagen corresponds to asked price nor to the redemption price.

Bond redemption

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

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

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

Right to premature redemption

The bonds are irredeemable from the bond owners' perspective until the redemption date, except in the special circumstances that apply in connection with a possible breach. Premature redemption of the bonds, wholly or partly, from the part of the Company may be performed on every banking day at the redemption prices of the individual years.

Redemption notice at premature redemption

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

Purchase of the bonds

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

Delisting

If redemption of the bonds is made prematurely by the Company in accordance with the bond terms, the bonds will immediately be delisted at the Danish Securities Centre.

Investor relations

Regardless of the listed prices of the bonds **ei** invest properties – *Berlin I* 8% and 9% having developed satisfactorily and an increasing interest in **ei** invest *Berlin I* being shown from the capital markets, the trading volume has, as expected, been moderate.

Due to the moderate volume traded, **ei** invest *Berlin I* will make efforts to spread the knowledge of the bonds. Through open and accessible information, **ei** invest *Berlin I* will continue to develop the dialogue with existing and potential investors plus other partners.

INVESTOR RELATIONS

All inquiries from investors and other interested parties regarding **ei** invest *Berlin I* are to be addressed to:

ei invest management
Hammershusgade 9
DK-2100 Copenhagen Ø

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

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

Bond bank

The bond bank was selected at the time of the bonds' admittance for listing by **ei** invest properties – *Berlin I* GmbH & Co. KG and engaged to carry out the calculation and payment of interest and the principal amount. The bond bank was selected by the Company to be Basisbank A/S.

Special Servicer

According to the Special Servicer agreement, CorpNordic Denmark A/S (Changed name from Amicorp Denmark A/S to CorpNordic Denmark A/S in 2007) is selected as the Special Servicer. The Special Servicer is selected on behalf of the bond owners to verify that **ei** invest properties – *Berlin I* GmbH & Co. KG complies with the bond terms plus to protect the bond owners' creditor and mortgage ranking agreement on behalf of the bond owners.

The bond owners' creditor and mortgage authorities may in this way only be performed by the Special Servicer. No individual bond owner is entitled to take steps to collect its receivable regarding the bonds. The Special Servicer is authorised, no later than on issuing of the bonds with the exclusive privilege of, to command the mortgage on behalf of the bond owners.

Payment of yield

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

- Tranche I: nominal 8% p.a.
- Tranche II: nominal 9% p.a.

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

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

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

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

Statement by the Board of Directors

on the annual report

We have today presented the annual report of **ei** invest properties – *Berlin I* GmbH & Co. KG for the financial year 1 January to 31 December 2011.

This annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports, cf. the financial reporting requirements issued by NASDAQ OMX Copenhagen for companies with listed bonds.

We consider the applied accounting policies appropriate for the financial statements to provide a true and fair view of the Company's financial position, as at 31 December 2011 and of the result of the Company's operations and cash flows for the financial year 1 January 2011 - 31 December 2011.

Further in our opinion the Management's review gives a fair review of development of the Company's activities and financial position in general as well as a description of the most significant risk and uncertainties to which the Company are exposed in accordance with Danish disclosure requirements for companies with listed bonds.

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

Copenhagen, 30 March 2012

Michael Kaa Andersen
(CHAIRMAN)

Lars Thylander
(VICE-CHAIRMAN)

Carsten Viggo Bæk

Kurt Petersen

Independent Auditors' Report

To the shareholders of **ei** invest properties – *Berlin I* GmbH & Co. KG

Report on financial statements

We have audited the financial statements of **ei** invest properties – *Berlin I* GmbH & Co. KG for the financial year 1 January – 31 December 2011, which comprise a statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flow, notes and a summary of significant accounting policies for the company. The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for companies that have issued listed bonds.

The supervisory boards responsibility for the financial statements

The supervisory board is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for companies that have issued listed bonds. Further, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the financial statements.

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 financial statements give a true and fair view of the group's financial position at 31 December 2011 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2011 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for companies that have issued listed bonds.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 30 March 2012

Ernst & Young, Godkendt Revisionspartnerselskab

Henrik Reedtz
STATE AUTHORISED PUBLIC ACCOUNTANT

Kaare Kristensen
STATE AUTHORISED PUBLIC ACCOUNTANT

Accounting policies

Basis of preparation

This annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS), approved by the EU, and other reporting requirements from Nasdaq OMX Copenhagen, regarding the annual reports of companies with listed bonds.

Changes in accounting polices

The accounting policies adopted are consistent with those of the previous financial year, exept that the Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2011:

- IAS 24 related party disclosure (amendment) effective 1 January 2011.
- Improvements to IFRS (may 2010).

IAS 24 related party transactions (Amendment)

The IASB has issued an amendment to IAS 24 that clarified the definitions of a related party. The new definitions emphasise a symmetrical view on related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements, for transactions with a government and entilties that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Company but the appropriate disclosures are included in Note 14.

The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position of the company:

- IAS 1 Presentation of financial statements: The amendment provides an option to present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The company provides this analysis in the statement of changes in equity.

New and changed standards and interpretations, which has not yet been effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. The listing of standards and interpretation issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance of how to measure fair value under IFRS when fair value is required or permitted. This standard becomes effective for annual periods beginnings on or after 1 January 2013.

The amendments to IAS 1 change the grouping of items presented in OCI. Items that cloud be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

Retrospective restatement regarding the acquisitions price of the investment properties

In connection with a legal settlement related to the acquisition price of the investment properties, it was discovered that the acquisition price was TEUR 944 too high. The incorrect acquisition price has been corrected retrospectively as a material prior period error.

The corrected acquisition price had no effect on the Company's profit for the years 2011 and 2010. The 2010 opening balance of reserve for fair value adjustment in equity was positively affected in the amount of TEUR 944. The 2010 opening balance of other receivables was also positively affected in the amount of TEUR 944. The 2010 closing balance was affected similar to the 2010 opening balance.

Apart from the above, the accounting policies are otherwise consistent with those of last year, cf. below:

Recognition and measurement

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

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

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

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

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

Foreign currency translation

Euro is specified as the Company's functional currency. The functional currency is the currency applied in the primary economic environment in which the Company operates. Transactions in other currencies than the functional currency are defined as foreign currency translations.

On initial recognition, foreign currency transactions are translated applying the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated using the exchange rate on the balance sheet date. Exchange differences that arise between the rate on the transaction date and the one in effect on the payment date or the rate on the balance sheet date are recognised in the comprehensive income statement as financial income or financial expenses.

INCOME STATEMENT

Rental income

Rental income from tenants is measured in the comprehensive income statement for the period the income concerns.

Property expenses

Property expenses include expenses directly attributable to the operation of the properties; among these are repair and maintenance, electricity, heating, property taxes, insurance, caretaker, etc.

Tenants' contributions to operating costs are set off in the property expenses.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration.

Fair value adjustments of investment properties

Fair value adjustments on investment properties, including unrealised value adjustments of investment properties for the financial year and including profit or loss in connection with the sale of such investment properties, are recognized in the comprehensive income statement as a separate item.

Financial income and expenses

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

Income tax

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

ASSETS

Investment properties

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

On initial recognition, investment properties are measured at cost plus addition of expenses connected with the purchase. Subsequent to initial recognition, investment properties are measured at fair value. The fair value is determined using the DCF (Discounted Cash Flow) method in accordance with IAS 40. The DCF model determines the value of the subject property as the capital value of the future achievable cash flows based on the conditions of the existing leases being discounted at a market-based interest rate. The property is therefore assessed on the basis of its future financial benefit to the investor at the date of valuation.

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

All of the Group's properties are accounted for under IAS 40 "Asset Purchase".

Accounts receivable, rent and other receivables

Receivables are measured at amortised cost which generally corresponds to nominal value with deduction of write-down for bad debt.

EQUITY AND LIABILITIES

Reserve for fair value adjustments

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

Deferred and current tax

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

Financial liabilities

Mortgage to credit institutions and banks as well as bond debt are measured as the received proceeds at borrowing after deduction of paid transaction costs. Interest-bearing debt is subsequently measured at amortised cost.

Other liabilities

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

Deferred income

Deferred income includes received payments concerning income in subsequent years. Deferred income is measured at amortised cost which generally corresponds to nominal value.

Statement of cash flows

The statement of cash flows is presented in accordance with the direct method and shows the Company's annual cash flows from operating, investing and financing activities plus the Company's changes from the beginning to the end of the year in cash and cash equivalents.

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

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

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

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

Key figures

Key figures are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

KEY FIGURES

Return on equity: $\dfrac{\text{Profit/loss x 100}}{\text{Average equity}}$

Equity to debt ratio: $\dfrac{\text{Equity x 100}}{\text{Average liabilities and equity}}$

Statement of comprehensive income

1 January to 31 December

Note	EUR 1,000	2011	2010
	Rental income	12,666	12,333
	Property expenses	(1,659)	(2,701)
	Gross profit before value adjustments	**11,007**	**9,632**
1	Fair value adjustment of investment properties	45	(14)
	Gross profit	**11,052**	**9,618**
2	Administrative expenses	(3,258)	(2,495)
	Operation profit	**7,794**	**7,123**
3	Financial income	30	24
4	Financial expenses	(6,828)	(6,607)
	Pre-tax profit	**996**	**540**
5	Tax on profit for the financial year	0	0
	Profit for the year	**996**	**540**
	Other comprehensive income for the year	0	0
	Total comprehensive income for the year	**996**	**540**
	Attributable to:		
	Capital holders	996	540

Balance sheet

Assets 31 December

Note	EUR 1,000	2011	2010
	Non-current assets		
6	Investment properties	179,290	179,245
6	Land	810	810
	Property, plant and equipment total	**180,100**	**180,055**
	Non-current assets total	**180,100**	**180,055**
	Current assets		
	Accounts receivable, rent	216	110
	Intercompany accounts	283	256
	Other receivables	71	1,007
	Cash and cash equivalents	4,086	2,824
	Current assets total	**4,656**	**4,197**
	Assets total	**184,756**	**184,252**

Balance sheet

Equity and liabilities 31 December

Note	EUR 1,000	2011	2010
	Equity		
7	Capital	3,084	3,084
	Reserve for fair value adjustment	36,319	36,274
	Retained earnings	653	(298)
	Equity total	**40,056**	**39,060**
	Non-current liabilities		
8	Mortgage and bank debt	121,008	121,685
9	Bond debt	18,848	18,336
	Non-current liabilities total	**139,856**	**140,021**
	Current liabilities		
	Trade creditors	733	786
8	Mortgage and bank debt	686	686
10	Other bank debt	1,412	1,408
11	Other payables	2,013	2,291
	Current liabilities total	**4,844**	**5,171**
	Liabilities total	**144,700**	**145,192**
	Total equity and liabilities	**184,756**	**184,252**

12 Accounting estimates
13 Financial commitments
14 Related parties
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20 Segmential information
21 Contingent liabilities
22 Subsequent events

Statement of changes in equity

EUR 1,000	STATEMENT OF CHANGES IN EQUITY			
1 January to 31 December 2011				
	Capital	Reserve for value adjustment	Retained earnings	Total
Equity 1 January 2011	3,084	36,274	(298)	39,060
Profit for the year	0	45	951	996
Other comprehensive income	0	0	0	0
Total comprehensive income	0	45	951	996
Equity at 31 December 2011	**3,084**	**36,319**	**653**	**40,056**

1 January - 31 December 2010	Capital	Reserve for value adjustment	Retained earnings	Total
Equity 1 January 2010	3,084	36,288	(852)	38,520
Profit for the year	0	(14)	554	540
Other comprehensive income	0	0	0	0
Total comprehensive income	0	(14)	554	540
Equity at 31 December 2010	**3,084**	**36,274**	**(298)**	**39,060**

Statement of cash flows

1 January to 31 December

Note	EUR 1,000	2011	2010
	Cash flows from operating activities		
16	Paid from tenants	12,559	12,424
17	Paid to suppliers, etc.	(4,877)	(5,205)
	Cash flows from operating activities before net interest	**7,682**	**7,219**
18	Interest income, etc.	30	24
19	Interest expense, etc.	(6,712)	(5,830)
	Cash flows from operating activities	**1,000**	**1,413**
	Cash flows from investing activities		
	Refund on purchase price	944	0
	Acquisition, investment properties (adjustments)	0	(69)
	Cash flows from investing activities	**944**	**(69)**
	Cash flows from financing activities		
	Injection of capital	0	0
	Instalments on non-current liabilities	(686)	(686)
	Instalments on current liabilities	4	(2)
	Cash flows from financing activities	**(682)**	**(688)**
	Net change in cash and cash equivalents	1,262	656
	Cash and cash equivalents, beginning of period	**2,824**	**2,168**
	Cash and cash equivalents, ending of period	**4,086**	**2,824**

Notes

Note	EUR 1,000	2011	2010
1	**FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES**		
	Investment properties	45	(14)
2	**ADMINISTRATIVE EXPENSES**		
	Portfolio management fee	(1,103)	(753)
	Audit fee	(71)	(100)
	Other administrative expenses	(2,084)	(1,642)
	Total	**(3,258)**	**(2,495)**
	The Company has no employees. No remuneration was paid to the Board of Directors.		
	Audit fee specification:		
	Audit	(71)	(100)
	Other services	0	0
	Total	**(71)**	**(100)**
3	**FINANCIAL INCOME**		
	Other interest earned	17	14
	Intercompany interest	13	10
	Unrealised exchange profit	0	0
	Total	**30**	**24**
4	**FINANCIAL EXPENSES**		
	Interest expenses, mortgage and bank debt	(6,368)	(6,191)
	Amortization of finance expenses	(460)	(414)
	Unrealised exchange loss	0	(2)
	Other financial expenses	0	0
	Total	**(6,828)**	**(6,607)**

5 **TAX ON PROFIT FOR THE FINANCIAL YEAR**

Tax is charged to the owners, **ei** invest Limited 1 - *Berlin I* GmbH, and **ei** invest Limited 2 - *Berlin I* GmbH and tax is settled by the owners.

Note	EUR 1,000	2011	2010
6	**INVESTMENT PROPERTIES**		
	Cost		
	Balance at 1 January	143,781	143,712
	Additions (adjustments to acquisition expenses)	0	69
	Cost at 31 December	**143,781**	**143,781**
	Revaluation		
	Revaluation at 1 January	36,274	36,288
	Revaluation this year	45	(14)
	Revaluation at 31 December	**36,319**	**36,274**
	Carrying amount at 31 December	**180,100**	**180,055**

An internal evaluation was performed in 2011.

Note	EUR 1,000	2011	2010
7	**CAPITAL**		
	Balance at 1 January	3,084	3,084
	Contributed capital	0	0
	Balance at 31 December	**3,084**	**3,084**

The contributed capital is not divided into classes.

Notes

Note	EUR 1,000	Currency	End	Fixed/-floating	Effective-interest	Nominal-value	2011	2010
8	**MORTGAGE AND BANK DEBT**							
	Loan	Currency	End	Fixed/-floating	Effective-interest	Nominal-value		
	Senior loan	EUR	2015	Fixed	4.00%	90,000	90,000	90,000
	Junior loan	EUR	2015	Floating	3.19%	31,732	31,732	32,418
	Total mortgage and bank debt, nominal value						**121,732**	**122,418**
	Expenses, net						(38)	(47)
	Total mortgage and bank debt 31 December						**121,694**	**122,371**

Of the junior loan, EUR 686 will mature within one year.
Term to maturity is 4 years.

Note		Currency	End	Fixed/-floating	Effective-interest	Nominal-value	2011	2010
9	**BOND DEBT**							
	Loan	Currency	End	Fixed/-floating	Effective-interest	Nominal-value		
	ei invest Berlin	DKK	2017	Fixed	8.00%	13,452	13,452	13,415
	ei invest Berlin	DKK	2017	Fixed	9.00%	6,726	6,726	6,708
	Total bond loan, nominal value						**20,178**	**20,123**
	Finance expenses incl. provision, premium bonds.						(1,330)	(1,787)
	Total bond debt						**18,848**	**18,336**

Term to maturity of bond debt is 6 years.

10 OTHER BANK DEBT

The Company has no additional credit facilities besides the TEUR 1,412 that has currently been used.

Note		2011	2010
11	**OTHER PAYABLES**		
	Interest	903	1,310
	Costs payable	775	494
	Prepaid rent and utilities	335	487
	Total	**2,013**	**2,291**

Note

12 ACCOUNTING ESTIMATES

During the preparation of the annual report, it is necessary for the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities and specifically the Company's investment properties, at the reporting date.

The Board of Directors considers the measurement of the investment properties material to the annual report.

Valuation of properties

The fair value of investment properties is determined by internal valuation using the Discounted Cash Flow (DCF) Method. The fair values are determined based on recent real estate transactions with similar characteristics and location to those of the company's assets.

In 2010, the fair value of investment properties was determined using a gross rental method calculating the fair value based on the expected gross rental income and a market based multiplier. In 2011, the Board of Directors has chosen to use the Discounted Cash Flow method as this is regarded as a better model for valuation purposes. The change of valuation model did not have any effect on the valuation.

The DCF model determines the value of the properties' future achievable cash flows based on the conditions of the existing leases and operating expenses. The future achievable cash flows are discounted at a market-based interest rate that reflects the risk of the cash flows from years 1 to 10. From year 11 onwards the achievable cash flows are capitalized in perpetuity as a constant income.

The Company has prepared an internal evaluation of each property to establish the required market-based interest rate and required capitalization rate. The internal evaluations are based on an average vacancy rate of 2.1%, an average discount rate of 5.55% and an average capitalization rate of 4.95%.

An increase in the applied discount and capitalization rates of 25 bps will result in a decrease in the fair value of the investment properties by EUR 7.2 mill. and an increase in the vacancy rate of 1% will result in a decrease in the fair value of EUR 2.5 mill.

13 FINANCIAL COMMITMENTS

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

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

Notes

EUR 1,000

Note

14 RELATED PARTIES

Related parties with controlling interest consist of **ei** invest Limited 1 – *Berlin I* GmbH as a result of this company's share of participating capital.

Related parties with controlling interest apart from the parent also include **ei** invest – *Berlin I* ApS (Denmark) as a result of being the ultimate parent.

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

Other related parties consist of the Board of Directors.

Related party transactions in the financial year

Investment and management agreeements have been entered into with EjendomsInvest and Thylander Group. The total fee for the financial year 2011 amounts to TEUR 1,036 (2010: TEUR 763), of this, 80% to EjendomsInvest and 20% to Thylander Group. Basisbank A/S acts as bond bank, management fee amounts to TEUR 14. EjendomsInvest and Basisbank A/S were both part of the Proark Group in the financial year. After the end of the financial year, the Proark Group has sold Basisbank A/S.

Accounts with related parties consisting of purchase of products and services do not carry interest and are settled at conditions equal to the Company's other suppliers'.

Accounts with related parties consisting of non-material advance payments, etc. are settled with interest on market conditions. No transactions with the Board of Directors have taken place.

15 FINANCIAL EXPOSURE RISK MANAGEMENT AND OBJECTIVES	2011 Carrying amount	2010 Carrying amount	2011 Fair value	2010 Fair value
Financial assets:				
Accounts receivable, rent	216	110	216	110
Intercompany accounts	256	256	256	256
Other receivables	71	1,007	71	1,007
Cash and cash equivalents	4,086	2,824	4,086	2,824
Financial Liabilities:				
Senior loan	90,000	90,000	89,802	89,434
Junior loan	31,732	32,481	31,732	32,481
Bond debt	20,178	20,123	21,186	21,947
Trade creditors	733	786	733	786
Other bank debt	1,412	1,408	1,412	1,408
Other debt	2,013	2,291	2,013	2,291

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

EUR 1,000

Note

15 FINANCIAL EXPOSURE RISK MANAGEMENT AND OBJECTIVES

Exchange rate exposure

Exchange rate exposure is limited due to the exchange rate cooperation, European Exchange Rate Mechanism II (ERM II) between DKK and EUR, where the Danish currency is kept within +/- 2.25% compared to a fixed central rate.

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

The table below summarizes the Company's exchange rate exposure (in EUR).

Currency	Non-current assets	Other assets	Liabilities	Netposition
EUR	180,100	4,656	124,440	60,316
DKK	0	0	20,260	(20,260)

The table below shows the Company's sensitivity to changes in the exchange rate of EUR.

Sensitivity to changes in the exchange rate of DKK	DKK rate increase by 5%	DKK rate decrease by 5%
Effect on profit before tax		
2011	(1,166)	1,166
2010	(1,090)	1,090
Effect on equity		
2011	(1,166)	1,166
2010	(1,090)	1,090

Credit risk

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

The Company sometimes experience losses from bad debt. Losses arise when the deposit does not cover the outstanding amount, and the tenants do not have the necessary funds to cover the amount. These losses are not substantial, and the Company believes they are within industrial standards.

The Company writes off rent receivables, after it has been determined that the tenant is presently unable to pay. The receivable will be written off by 50% after that date and by 100% 6 months after that date.

Notes

EUR 1,000

Note

15 FINANCIAL EXPOSURE RISK MANAGEMENT AND OBJECTIVES

Liquidity risk

The Company monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets and projected cash flows from operating activities.

The Company's objective is to be 100% financed by the cash flows from operating activities. Bank overdrafts are used to cover short-term fluctuations in the cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments and excluding amortised finance expenses:

Year ended 31 December 2011	Less than 1 year	1 to 5 years	More than 5 years	Total
Mortgage and bank debt	5,287	134,506	0	139,793
Bond debt	1,684	6,735	21,888	30,307
Trade creditors	733			733
Other bank debt	1,412			1,412
Other payables	2,013			2,013
Total	**11,129**	**141,241**	**21,888**	**174,258**

Financial management

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

The Company is unable to pay out dividend, as the prospectus stipulates that a dividend can be paid only, when the bonds have been redeemed.

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

Interest rate risks

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

The senior loan is a fixed-rate loan at 4.00% for 10 years (the first two years 4.15%) that expires 31 October 2015. The junior loan has a floating rate of interest based on fixed-rate periods of 3 months. The junior loan expires 31 October 2015. The interest rate at December 2011 was 3.19%. The senior loan is an interest only mortgage.

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

An increase of 1.00% in the floating interest rate will lead to an increase in financial costs of TEUR 331.

Note	EUR 1,000	2011	2010
16	**PAID FROM TENANTS**		
	Rental income	12,666	12,333
	Change in receivable rent	(107)	91
	Total	**12,559**	**12,424**
17	**PAID TO SUPPLIERS, ETC.**		
	Property expenses	(1,659)	(2,701)
	Administrative expenses	(3,258)	(2,495)
	Change in prepayments, deferred charges	(35)	69
	Change in trade creditors etc.	75	(78)
	Total	**(4,877)**	**(5,205)**
18	**INTEREST INCOME, ETC.**		
	Other financial income	30	24
	Unrealised exchange gains	0	0
	Total	**30**	**24**
19	**INTEREST EXPENSES, ETC.**		
	Financial expenses as specified in note 4	(6,828)	(6,607)
	Amortization of finance expenses	460	414
	Unrealised exchange loss	63	(33)
	Change in interest accruals	(407)	396
	Total	**(6,712)**	**(5,830)**

20 SEGMENTAL INFORMATION

The main revenue corresponding to approx. 97% of the total revenue arises from rental of residential in the area of Berlin. The Company's revenues from external costumers are attributable to the Company's investment properties located in Berlin, Germany from which the Company derives rental income. The Company has no transactions with a single external costumer, which accounts for 10% or more of the Company's revenues.

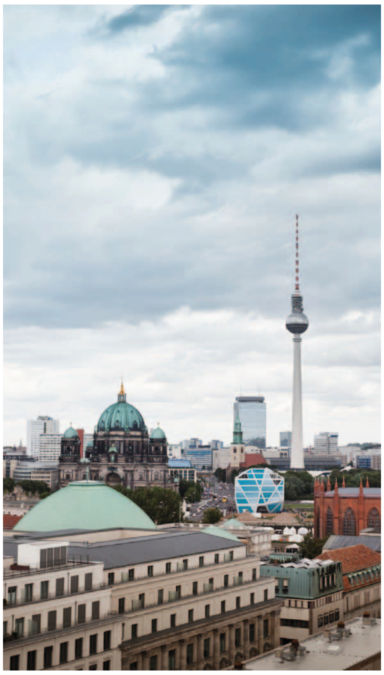
21 CONTINGENT LIABILITIES

During a tax review the German tax authorities has argued that a certain part of services is not VAT exempt. One of the company's German tax advisors and management disagrees with the German tax authorities, as it is their opinion that these services are VAT exempt. Should it transpire that a certain part of services are not VAT exempt in accordance with the German tax authorities, then additional costs - at a maximum of EUR 825k - will occur. As management and the German tax advisors do not agree with the view of the German authorities, no liabilities in this respect have been recognized in the financial statements.

22 SUBSEQUENT EVENTS

Company evaluates subsequent events through the date the financial statements were dated.

Stock exchange information



Financial calendar 2012

The Board of Directors of **ei** invest properties – *Berlin I* GmbH & Co. KG has decided the following dates for the announcement of the financial performance in 2012, including a date for the ordinary bond owners' meeting:

30 March 2012	Annual report 2011
12 April 2012	Bond owners' meeting
31 May 2012	Quarterly announcement for 1st quarter 2012
31 August 2012	Half year announcement for 1st and 2nd quarters 2012
30 November 2012	Quarterly announcement for 1st to 3rd quarters 2012

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

On the 30 March 2012, the annual report 2011 will be available for download on www.eiinvest.dk.

STOCK EXCHANGE ANNOUNCEMENTS 2011

For "8% **ei** invest *Berlin I* 2017" and "9% **ei** invest *Berlin I* 2017"

No	Date	Announcement
1	31 January	Financial calendar 2011
2	31 March	Annual report 2010 – **ei** invest properties – *Berlin I* GmbH & Co. KG
3	1 April	Notice convening ordinary bond owners´ meeting 2011
4	12 April	Statement from Special Servicer in ei invest properties – *Berlin I* GmbH & Co. KG
5	31 May	Quarterly announcement for 1st quarter 2011
6	31 August	Half year announcement for 1st to 2nd quarters 2011
7	30 November	Quarterly announcement for 1st to 3rd quarters 2011

Company information

Formalities

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

Registration number: HRA84964
Financial year: 1 January to 31 December
Registered office: Berlin, Germany

Board of Directors

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

Investor relations

Henrik B. Andersen (Head of Department, Fund Management)
Sigurd Hundrup (CFO)

Auditor

Ernst & Young, Godkendt Revisionspartnerselskab
Gyngemose Parkvej 50
DK-2860 Søborg

Bond owners' meeting

Ordinary bond owners' meeting details:
Date: Thursday 12 April 2012 at 14.00.

Photographer Günter Schneider (Germany) Text ei invest management Graphic design Papmaché

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- Bonds secured in property portfolio consisting of 21 property complexes, including approx. 4.400 units – primarily residential units – located in the capital of Germany, Berlin.

- Represents a strong investment model with bond offerings for investors looking for a supplement to traditional property investment.

- Opens up the property investment market to private as well as institutional investors.

- Listed on Nasdaq OMX Copenhagen on 1 December 2005.