

**Aktionærforeningen
(The Shareholders' Association)
for Résidence 30, Rue Massena, Nice**

Annual report 2005/06

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Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Statement by the Supervisory Board on the annual report

The Supervisory Board has today presented the annual report of Aktionærforeningen (The Shareholders' Association) for Résidence 30, Rue Massena, Nice for 2005/06.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the accounting policies appropriate for the annual report to provide a true and fair view of the Association's financial position and results.

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

Farum, 18 October 2006

Supervisory Board

Ole Ritter

Leif Hammel

Preben Høeg

Søren Stenum

Margit Retvig

Nicolai Mallet

Poul Petersen

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Auditors' report

To the shareholders of Aktionærforeningen (The Shareholder' Association) for Résidence 30, rue Massena, Nice.

We have audited the annual report of Aktionærforeningen for Résidence 30, rue Massena, Nice, for the financial year 2005/06, prepared in accordance with the Danish Financial Statements Act.

The annual report is the responsibility of the Association's Management. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Association's financial position at 30 June 2006 and of the results of its operations for the financial year 2005/06 in accordance with the Danish Financial Statements Act.

Supplementary information

Our audit does not include the budgets.

Copenhagen, 18 October 2006

Deloitte

Statsautoriseret Revisionsaktieselskab

Erik Jørgensen
State Authorised
Public Accountant

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Report to the Shareholders

The property

Expenses for maintenance of the property have still been moderate. In the course of the year, defrayed expenses have amounted to € 10.781. Three air conditioning plants have been replaced in the course of the year which has amounted to € 4.022.

A number of water taps and mixing batteries have been replaced in kitchens and bathrooms.

In addition, € 15.698 has been paid for investments paid by Résidence Massena Nice A/S. Please see specification in the accounts.

The coming year, € 12.200 has been budgeted for ordinary maintenance expenses. As the central air conditioning plant is worn-out, it is necessary to replace this. This expense amounts to approx. € 24.100.

Furniture

New couches have been purchased for five apartments at a price of € 6.000. In addition, some blackout curtains, coffee machines, refrigerators, etc have been replaced.

Performance

The results for 2005/06 amounted to a minor profit of € 5.444. The weekly payments equal the amount budgeted for. The expenses have been closed to the amount budgeted for, but with minor savings. The profit is proposed carried forward to next year. The Association's assets then amounts to € 704.

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Report to the shareholders**Budget 2006/2007**

Large new acquisitions are included in the budget at the amount of € 32.000. Based on this, it is necessary to increase the weekly payments by 25%. As this increase only affects the first half of year 2007, there is only budgeted for a loss of € 16.665. This loss is expected to be covered by the weekly payments in the second half of year 2007.

**The Shareholders' Association for Résidence 30, Rue Massena, Nice –
Supervisory Board**

Poul Petersen Head of the Association	Civil Engineer, Aksel V. Jensen A/S Engineering Consultancy F.R.I.
Søren Stenum	Executive Director, BØRNEfonden.
Preben Høeg	Purchasing Manager, Dampskibsselskabet NORDEN A/S
Ole Ritter	Executive Director, O. Ritter Import ApS
Leif Hammel	Sales Executive
Nicolai Mallet	Lawyer, DLA Nordic A/S
Margit Retvig	Retvig's Ejendoms kontor

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Income statement for 2005/06

	<u>Note</u>	<u>Budget 2006/07 €</u>	<u>Budget 2005/06 €</u>	<u>Accounts 2005/06 €</u>	<u>Accounts 2004/05 €</u>
Weekly payments	25	145.679	129.370	129.196	108.041
Transfer towards current expenses from Nice Invest A/S		0	0	0	4.738
Interest income and dunning charges		670	134	1.153	177
Income		146.349	129.504	130.349	112.956
Property tax	1	(5.496)	(5.362)	(5.241)	(5.071)
Tax domicile	2	(6.703)	(6.569)	(6.487)	(6.360)
Water rate	3	(6.703)	(6.703)	(6.764)	(5.615)
Electricity	4	(10.054)	(9.384)	(9.611)	(9.244)
Heat/gas	5	(8.044)	(6.032)	(6.726)	(5.553)
Insurance	6	(2.681)	(3.351)	(2.492)	(2.444)
Lift service and gas furnace	7	(6.032)	(4.022)	(4.287)	(4.196)
Inspection of fire prevention equipment	8	(670)	(670)	(956)	(384)
Sundries	9	(134)	(134)	0	0
Contribution to the management of the Property		(46.517)	(42.227)	(42.564)	(38.867)
Maintenance of air condition	10	(6.032)	(5.362)	(5.217)	(5.209)
Heating and sanitation work – electrical appliances	10	(2.145)	(2.011)	(2.229)	(2.212)
Painting	10	(2.681)	(2.681)	(2.437)	(3.000)
Mason, carpenter and joiner	10	(670)	(670)	(898)	(80)
Various repairs	10	(670)	(670)	0	0
Caretaker	11	(26.812)	(26.812)	(23.298)	(23.695)
Cleaning articles and commodities	12	(2.011)	(2.011)	(2.034)	(1.729)
Significant new purchases	13	(32.175)	(2.011)	(1.054)	(1.666)
Insignificant new purchases	14	(2.681)	(2.681)	(4.004)	(3.147)
Telephone and fax	15	(2.681)	(2.681)	(2.707)	(2.455)
Television licence fee	16	(1.475)	(1.341)	(1.373)	(313)
Bank charges and exchange adjustment	17	(134)	(134)	544	(277)
Transfer		(80.167)	(49.065)	(44.707)	(43.783)

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Income statement for 2005/06

	<u>Note</u>	<u>Budget 2006/07 €</u>	<u>Budget 2005/06 €</u>	<u>Accounts 2005/06 €</u>	<u>Accounts 2004/05 €</u>
Transfer		(80.167)	(49.065)	(44.707)	(43.783)
Administration, bookkeeping, auditing, etc	18	(24.801)	(24.801)	(24.802)	(25.160)
Office supplies, postage, etc	19	(4.022)	(3.352)	(5.090)	(2.838)
Charges to the Danish Securities Center	20	(6.703)	(7.373)	(6.418)	(6.845)
Sundries and unforeseen expenditures	21	(670)	(670)	(1.324)	(100)
Costs for board meetings	22	(134)	(134)	0	(98)
Other external expenses		(116.497)	(85.395)	(82.341)	(78.824)
Total expenditures		(163.014)	(127.622)	(124.905)	(117.691)
Net profit/loss for the year		(16.665)	1.882	5.444	(4.735)
Proposed distribution of profit/loss:					
Retained earnings				5.444	
Large investments defrayed by Résidence Massena Nice A/S:					
Replacement of main cock			4.692	2.321	
Smoke hatch in stairwell			3.083	3.572	
Digital TV station			2.145	525	
Furniture			5.362	5.406	
Wireless internet connection			1.340	1.543	
Dish, Italy and Denmark			0	2.331	
			16.622	15.698	

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Balance sheet at 30 June 2006

	2006	2005
	€	€'000
Outstanding weekly payments 2006	7.341	8.936
Outstanding account with Résidence Massena Nice A/S	17.411	875
Other receivables	54	0
Receivables	<u>24.806</u>	<u>9.811</u>
Cash	<u>69.526</u>	<u>73.606</u>
Current assets	<u>94.332</u>	<u>83.417</u>
Assets	<u><u>94.332</u></u>	<u><u>83.417</u></u>

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Balance sheet at 30 June 2006

	<u>Note</u>	<u>2006</u> €	<u>2005</u> €'000
Retained earnings	23	704	(4.737)
Equity		704	(4.737)
Other payables	24	19.696	16.086
Prepaid weekly payments		61.936	62.097
Debt to Nice Invest A/S		11.996	9.971
Short-term liabilities other than provisions		93.628	88.154
Liabilities other than provisions		93.628	88.154
Equity and liabilities		94.332	83.417

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Notes to the annual report 2005/06

Notes to the budget 2006/07

1. Property tax

Collection received for 2005.

Covers 2006/07.

2. Domicile tax

Collection received for 2005.

Covers 2006/07.

3. Water rate

Collection received for 2005.

The amount in part includes a fixed wire tax and in part the expenditures estimated by measurer.

4. Electricity

Covers 12 months' consumption.

The budget for the consumption is lightly increasing.

5. Heating/gas

Covers 12 months' consumption.

The budget for the consumption is increasing.

6. Insurance

Covers the period 1 March 2006 to 28 February 2007

Normal price increase is expected. In addition, a liability insurance policy is taken out

Insurance sum:

Buildings: Full value of a new building

Furnishing, installations and inventory:

€140,000, though by theft only

€15,000

The property, furnishing, installations and inventory are insured against fire and explosion, theft, storm and water damages, frost damages and glass damages.

However, certain objects are not insured against theft.

7. Lift service

Covers subscription for 1 July 2005 to 30 June 2006, €2,482.

Expenses expected to increase as a consequence of security requirements

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Notes to the annual report 2005/06

8. Inspection of fire prevention equipment

Annual inspection of fire prevention equipment and replacement of five fire extinguishers.

9. Sundries

10. Service, repairs and maintenance

General maintenance expenses for 2005/06

Service air condition	5.217
Painting – repairs	2.437
Plumbing and electrician	2.229
Miscellaneous bricklayer/carpenter work, floor tiles	898
General repairs	<u>0</u>
	<u>10.781</u>

11. Caretaker

Covers wages and social expenses for Khadija Dupuis.

Wages	14.754
Social security expenses	<u>8.542</u>
Total	<u>23.296</u>

12. Cleaning articles and commodities

Various cleaning articles and commodities (light bulbs, paint, etc)

13. Significant new purchases

Replacement of lock in the front door	<u>1.053</u>
Total	<u>1.053</u>

Notes to the budget 2006/07

Annual inspection and minor expenditures for replacement of fire prevention equipment.

Reserve for unforeseen expenses for the management of the property.

Annual service and maintenance costs are expected at a similar level to 2005/06.

Agreed payment including social security expenses for Khadija Dupuis as well as casual assistance.

Increasing expenditures are expected as a result of extended use of the property.

Couches	6.032
Air conditioning (central)	24.131
Sundries	<u>2.011</u>
	<u>32.174</u>

Notes to the annual report 2005/06

Notes to the budget 2006/07

14. Insignificant new purchases and furnishing

China and kitchen furniture elements	402
Coffee machines	84
Refrigerators	298
Vacuum cleaners	226
Carpets	437
Blackout curtains	506
Towels	357
Lamps	274
Bathroom equipment	593
Bazar Royal	21
Cabinet doors, etc	125
Protective covers, beds	237
Micro ovens, etc	152
Door hinge, etc	152
Table, balcony	29
Office chair	29
Computer equipment	65
Sundries	<u>10</u>
Total	<u>3.997</u>

Includes replacement and maintenance of furniture and TV, etc.

15. Telephone and fax

Cover expenditures for card phone, office phone, internet usage as well as expenditures for the caretaker's telephone (including cell phone).

Covers expenditures for card phone and fax (increasing use) and expenditures for office phone, internet as well as the caretaker's telephone.

16. Television licence fee

Annual licence fee for 15 apartments.

Unchanged licence.

17. Bank charges and exchange adjustment

Service charges and exchange adjustments concerning transfers to France.

Estimate.

18. Administration

Management fee	14.746
Accounts and audit 2005/06, incl VAT	6.703
Lawyer 2005/06	<u>3.351</u>
Total	<u>24.800</u>

Auditor's fee is increasing as a consequence of changed conditions. Lawyer's fee incl. general meeting. Management fee is agreed upon with the administrator.

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Massena, Nice

Notes to the annual report 2005/06

19. Office supplies, postage, etc

Office supplies, postage, advertisement	
Advertisements, translator, etc	980
Postage	2.725
Office supplies	<u>183</u>
Total	<u>3.888</u>

**20. Annual fees and modification charges
for the Danish Securities Center**

Annual fee	2.681
Fee stock administration	3.241
Fees, etc	<u>495</u>
Total	<u>6.417</u>

21. Sundries and unforeseen expenditures

Homepage	<u>1.323</u>
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22. Costs for board meeting

23. Retained earnings

Balance at 1 July 2005	(4.737)
Net profit for the year	<u>5.442</u>
	<u>705</u>

24. Other payables

Provision for lawyer (three years)	8.445
Provision for auditor	6.703
Other payables	<u>4.547</u>
Total	<u>19.695</u>

25. Weekly payments

Second half of year 2005	62.097
First half of year 2006	<u>67.099</u>
	<u>129.196</u>

Notes to the budget 2006/07

As a result of the increasing memberships and a greater range of different nationalities, expenditures are expected to rise.

As a result of the increasing memberships expenditures are expected to rise.

Reserve for unforeseen expenses.

Expense expected unchanged.

Second half of 2006	61.937
First half of 2007	<u>83.742</u>
	<u>145.679</u>