

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

Annual report 2004/05

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Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Masséna, 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 Masséna, Nice for 2004/05.

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 Company's financial position and results.

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

Farum, 7 October 2005

Supervisory Board

Ole Ritter

Leif Hammel

Preben Høeg

Søren Stenum

Margit Retvig

Nicolai Mallet

Poul Petersen

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

Auditors' report

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

We have audited the annual report of Aktionærforeningen for Résidence 30, rue Masséna, Nice, for the financial year 2004/05, prepared in accordance with the Danish Financial Statements Act.

The annual report is the responsibility of the Company'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 Company's financial position at 30 June 2005 and of the results of its operations for the financial year 2004/05 in accordance with the Danish Financial Statements Act.

Supplementary information

Our audit does not include the budgets.

Copenhagen, 7 October 2005

Deloitte

Statsautoriseret Revisionsaktieselskab

Erik Jørgensen
State Authorised
Public Accountant

Aktionærforeningen (the Shareholders' Association) for Résidence 30, Rue Masséna, 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 DKK 78,328. Improvements have been made of the security in the elevator shaft.

The motor for the ventilation system which vents the bathrooms and kitchens has been replaced.

The pump of the air condition system has turned out to be leaking in connection with the start-up of the system in the spring. The pump had to be repaired.

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

The coming year, the maintenance expenses will increase materially. DKK 143,000 has been budgeted for. Of this amount, Résidence Masséna A/S will pay DKK 58,000 which covers replacement of main cock and new smoke hatch. A new control panel and a closing devise for the front door have been installed

Furniture

So far, new couches have been purchased for five apartments at a price of DKK 40,000. The expense is defrayed by Résidence Masséna A/S.

In addition hereto, some blackout curtains and cushions for white chairs have been replaced in the small apartments.

The computer system

The wireless internet connection has been installed, but fails to operate satisfactory. A box will now be installed on each floor. The box will be connected by cable to the computer. The box provides wireless connection to all apartments. The expense amounts to approx. DKK 10,000 which will be defrayed by Résidence Masséna A/S.

The home page will be improved and updated on a continuous basis.

Residual apartments and guarantee concerning operating loss

In the course of the year, the number of unsold weeks has reached below 10% and, hence, the deficit guarantee is void.

From 1 January 2005 weekly payments concerning all weeks will be paid in. This is equivalent to an annual income of DKK 965,000.

As the 90% limit will be reached on 1 January 2005, half of the loss of DKK 70,681 will be covered by Nice Invest A/S.

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

Report to the shareholders**Results**

In 2004/05 there is budgeted for weekly payments of DKK 965,000. This is first applicable from 1 January 2005. Thus, it is a budget error as weekly payments in the second half-year of 2004 should have been included at DKK 304,100. The total income was in this way DKK 805,900. Expenses were budgeted for at DKK 969,000, but realised at DKK 877,899. The association's loss will then amount to DKK 35,341 which is proposed carried forward to next year.

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

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

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

Income statement for 2004/05

	<u>Note</u>	<u>Budget 2005/06 €</u>	<u>Budget 2004/05 €</u>	<u>Accounts 2004/05 €</u>	<u>Accounts 2003/04 €</u>
Weekly payments		129.504	129.504	108.153	87.178
Transfer towards current expenses from Nice Invest A/S		0	0	4.743	13.796
Interest income and dunning charges		134	537	177	562
Income		129.638	130.041	113.073	101.536
Property tax	1	(5.368)	(4.831)	(5.076)	(4.665)
Tax domicile	2	(6.576)	(6.442)	(6.367)	(6.257)
Water rate	3	(6.710)	(6.710)	(5.621)	(6.165)
Electricity	4	(9.394)	(9.394)	(9.254)	(8.854)
Heat/gas	5	(6.039)	(6.039)	(5.559)	(5.334)
Insurance	6	(3.355)	(2.550)	(2.446)	(2.287)
Lift service	7	(4.026)	(4.026)	(4.200)	(2.709)
Inspection of fire prevention equipment	8	(671)	(671)	(384)	(278)
Sundries	9	(134)	(134)	0	0
Contribution to the management of the Property		(42.273)	(40.797)	(38.907)	(36.549)
Maintenance of air condition	10	(5.368)	(5.368)	(5.214)	(2.313)
Heating and sanitation work – electrical appliances	10	(2.013)	(4.697)	(2.215)	(4.013)
Painting	10	(2.684)	(4.697)	(3.003)	(2.553)
Mason, carpenter and joiner	10	(671)	(671)	(80)	(80)
Various repairs	10	(671)	(2.013)	0	(2.299)
Caretaker	11	(26.840)	(22.143)	(23.720)	(20.386)
Cleaning articles and commodities	12	(2.013)	(2.684)	(1.731)	(1.735)
Significant new purchases	13	(2.013)	0	(1.668)	0
Insignificant new purchases	14	(2.684)	(5.368)	(3.151)	(3.344)
Telephone and fax	15	(2.684)	(3.489)	(2.457)	(2.267)
Television license fee	16	(1.342)	(537)	(314)	(232)
Bank charges and exchange adjustment	17	(134)	(134)	(277)	459
Transfer		(49.117)	(51.801)	(43.830)	(38.763)

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

Income statement for 2004/05

	<u>Note</u>	<u>Budget 2005/06 €</u>	<u>Budget 2004/05 €</u>	<u>Accounts 2004/05 €</u>	<u>Accounts 2003/04 €</u>
Transfer		(49.117)	(51.801)	(43.830)	(38.763)
Administration, bookkeeping, auditing, etc.	18	(24.828)	(24.023)	(25.186)	(18.769)
Office supplies, postage, etc.	19	(3.355)	(4.026)	(2.841)	(961)
Charges to the Danish Securities Center	20	(7.381)	(6.710)	(6.852)	(6.110)
Sundries and unforeseen expenditures	21	(671)	(2.550)	(100)	(347)
Costs for board meetings	22	(134)	(134)	(98)	(37)
Other external expenses		(85.486)	(89.244)	(78.907)	(64.987)
Total expenditures		(127.759)	(130.041)	(117.814)	(101.536)
Net profit/loss for the year		1.882	0	(4.741)	0
Proposed distribution of profit/loss:					
Retained earnings				(4.741)	
Large investments defrayed by Résidence Masséna Nice A/S:					
Replacement of main cock		4.697			
Smoke hatch in stairwell		3.087			
Digital TV station		2.147			
Furniture		5.368			
Wireless internet connection		1.342			
		16.641			

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

Balance sheet at 30 June 2005

	2005	2004
	€	€'000
Outstanding weekly payments 2005	8.946	3.555
Outstanding account with Résidence Masséna Nice A/S	877	0
Other receivables	0	280
Outstanding account with Nice Invest A/S	<u>0</u>	<u>4.113</u>
Receivables	<u>9.823</u>	<u>7.948</u>
Cash	<u>73.683</u>	<u>45.741</u>
Current assets	<u>83.506</u>	<u>53.689</u>
Assets	<u><u>83.506</u></u>	<u><u>53.589</u></u>

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

Balance sheet at 30 June 2005

	<u>Note</u>	<u>2005</u> €	<u>2004</u> €'000
Retained earnings		(4.743)	0
Equity		(4.743)	0
Other payables	23	16.103	12.878
Prepaid weekly payments		62.162	40.811
Debt to Nice Invest A/S		9.984	0
Short-term liabilities other than provisions		88.249	53.689
Liabilities other than provisions		88.249	53.689
Equity and liabilities		83.506	53.689

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

Notes to the annual report 2004/05

Notes to the budget 2005/06

1. Property tax

Collection received for 2004.

Covers 2005/06.

2. Domicile tax

Collection received for 2004.

Covers 2005/06.

3. Water rate

Collection received for 2004.

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 unchanged.

6. Insurance

Covers the period 1 March 2005 to 28 February 2006

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 2004 to 30 June 2005.

Expenses expected to increase as a consequence of security requirements

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

Notes to the annual report 2004/05

Notes to the budget 2005/06

8. Inspection of fire prevention equipment

Annual inspection of fire prevention equipment.

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

9. Sundries

Reserve for unforeseen expenses for the management of the property.

10. Service, repairs and maintenance

General maintenance expenses for 2004/05

Annual service and maintenance costs are expected at a similar level to 2004/05.

Service air condition	5.214
Painting – repairs, hall, aisles	3.003
Plumbing and electrician	2.215
Masonry, joinery	80
General repairs	<u>0</u>
	<u>10.512</u>

11. Caretaker

Covers wages and social expenses for Khadija Dupuis.

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

Wages	15.280
Social security expenses	<u>8.440</u>
Total	<u>23.720</u>

12. Cleaning articles and commodities

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

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

13. Significant new purchases

Television	318
Amplifier, antenna	<u>1.350</u>
Total	<u>1.668</u>

Mats for the apartments.

Notes to the annual report 2004/05

Notes to the budget 2005/06

14. Insignificant new purchases and furnishing

Carpets	45
Cushions	531
China, etc	491
Flowers, etc	60
Floor mats	47
Coffeemakers	60
Pegs, etc for bath rooms	168
Printers, cables, etc	594
Lamps	36
Dust bags, filters for cooker hoods	152
Vacuum cleaner	120
Doors for freezers	215
Keys and locks	573
Handles	<u>59</u>
Total	<u>3.151</u>

Includes replacement and maintenance of furniture. New furniture cannot be depreciated, but new purchases are paid for through the management provisions

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 license fee

Annual license fee.

It is the seller of the TV-sets' responsibility to report them to the license office. Purchase of new televisions results in license fee.

17. Bank charges and exchange adjustment

Service charges and exchange adjustments concerning transfers to France.

Estimate.

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

Notes to the annual report 2004/05

Notes to the budget 2005/06

18. Administration

Management fee	14.762
Accounting assistance, France	359
Accounts and audit 2004/05, incl VAT	6.710
Lawyer 2004/05	<u>3.355</u>
Total	<u>25.186</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.

19. Office supplies, postage, etc.

Office supplies, postage, advertisement	
Postage	2.751
Office supplies	<u>90</u>
Total	<u>2.841</u>

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

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

Annual fee	2.684
Fee stock administration	3.188
Fees, etc	<u>980</u>
Total	<u>6.852</u>

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

21. Sundries and unforeseen expenditures

Christmas gifts.

Reserve for unforeseen expenses.

22. Costs for board meeting

Food	<u>98</u>
Total	<u>98</u>

Expense expected unchanged.

23. Other payables

Provision for lawyer (two years)	5.100
Provision for auditor	6.710
Other payables	<u>4.293</u>
Total	<u>16.103</u>