

**Résidence Masséna Nice A/S
Central Business Registration
No. 78 81 96 18**

Annual Report 2004/05

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Company details

Company

Résidence Masséna Nice A/S

Copenhagen

Company Business Registration No.: 78 81 96 18

Registered in: the Municipality of Copenhagen

Supervisory Board

Margit Retvig

Nicolai Mallet

Poul Petersen

Ole Ritter

Leif Hammel

Preben Høeg

Søren Stenum

Executive Board

Margit Retvig

Company auditors

Deloitte Statsautoriseret Revisionsaktieselskab

The Annual General Meeting adopted the annual report on

2005

Chairman of the General Meeting

Statement by the Supervisory Board on the annual report

The Supervisory Board has today presented the annual report of Résidence Masséna Nice A/S for 2004/05.

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

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

Farum, 7 October 2005

Executive Board

Margit Retvig

Supervisory Board

Margit Retvig
managing director

Nicolai Mallet

Poul Petersen

Ole Ritter

Leif Hammel

Preben Høeg

Søren Stenum

Auditors' report

To the shareholders of Résidence Masséna Nice A/S

We have audited the annual report of Résidence Masséna Nice A/S 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.

Copenhagen, 7 October 2005

Deloitte

Statsautoriseret Revisionsaktieselskab

Erik Jørgensen
State Authorised
Public Accountant

Management's review

Primary activity

The purpose of the company is to own the property situated at 30, rue Masséna, Nice, France.

In accordance with a separate agreement, the Shareholders' Association (Aktionærforeningen) for Résidence 30, rue Masséna, Nice is in charge of the management of the property, collects rent and defrays the expenses concerning the management of the property.

At the present level of the market rent for the type of apartments, which the Company's property contains, there are no profits on the management of the property, like previous year.

According to the Company's Articles of Associations the company is not allowed to mortgage the estate.

Development in activities and finances

The operating result for the past year and the financial position at the end of this year appear from the subsequent income statement and balance sheet.

Outlook

The company expects a stable development, just as the previous year.

Events after the balance sheet date

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

Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The annual report has been presented applying the accounting policies consistently with last year.

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 at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Financial income and expenses

These items comprise interest income and interest expenses.

Income taxes

Tax for the year, which, consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year, and recognised directly on equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting policies

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet

Property, plant and equipment

In accordance with the leases that have been made, the company's apartments are used by the shareholders one, two or more weeks annually. Nice Invest A/S is in charge of the administration. Aktionærforeningen conducts maintenance for Résidence 30, rue Masséna, and compensates for all of the company's annual operating expenses.

Land and building are measured at cost. The market value is higher than the carrying amount, and therefore no depreciation of the property are made. In the valuation, the special use and the underlying service organisation have also been considered.

Prepayments and accrued income

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Foreign currency translation

Foreign currency transactions are translated applying the exchange rate at the balance sheet.

Income statement for 2004/05

	<u>Note</u>	<u>2004/05</u> €	<u>2003/04</u> t€
Other external expenses		(731)	(1)
Operating profit		(731)	(1)
Financial income		428	1
Financial expenses		0	0
Loss before tax		(303)	0
Tax on loss for the year	2	0	0
Net loss for the year		(303)	0
Proposed distribution of loss			
Retained earnings		(303)	0

Balance sheet at 30 June 2005

	<u>Note</u>	<u>2005</u> <u>€</u>	<u>2004</u> <u>t€</u>
Land and buildings		<u>1.654.015</u>	<u>1.654</u>
Property, plant and equipment	3	<u>1.654.015</u>	<u>1.654</u>
Fixed assets		<u>1.654.015</u>	<u>1.654</u>
Cash		<u>56.838</u>	<u>56</u>
Current assets		<u>56.838</u>	<u>56</u>
Assets		<u><u>1.710.853</u></u>	<u><u>1.710</u></u>

Balance sheet at 30 June 2005

	<u>Note</u>	<u>2005</u> <u>€</u>	<u>2004</u> <u>t€</u>
Share capital	4	1.700.999	1.701
Retained earnings	5	<u>7.575</u>	<u>7</u>
Equity		<u>1.708.574</u>	<u>1.708</u>
Income taxes		0	1
Other payables		<u>2.279</u>	<u>1</u>
Short-term liabilities other than provisions		<u>2.279</u>	<u>2</u>
Liabilities other than provisions		<u>2.279</u>	<u>2</u>
Equity and liabilities		<u><u>1.710.853</u></u>	<u><u>1.710</u></u>
Contingent liabilities etc.	6		
Other notes	7		

Notes

	<u>2004/05</u>	<u>2003/04</u>
1. Staff costs		
No revenue ration has been paid to the Supervisory Board or the Executive Board.		
Average member of employees	<u>1</u>	<u>1</u>
	<u>2004/05</u> €	<u>2003/04</u> t€
2. Tax on loss for the year		
Current tax	<u>0</u>	<u>0</u>
		<u>Land and buildings</u> €
3. Property, land and equipment		
Cost at 1 July 2004		1.654.015
Additions		0
Disposals		<u>0</u>
Cost at 30 June 2005		<u>1.654.015</u>
Carrying amount at 30 June 2005		<u>1.654.015</u>
Carrying amount at 30 June 2004		<u>1.654.015</u>

Estate agent Jean Pierre Peaquin, JPP transactions et commercialisations immobilières, administration des biens 19, quai St. Pierre LE BRUSC 83140 SIX FOURS Les Plages, valued the property on 7 March 1997 at FRF 21.680.000 (equipment to € 3.305.095 at the balance-sheet date) on the basis of the area, the location and the local real estate market in Nice, Alpes Maritimes.

4. Share capital

The share capital consists of 114,000 A-shares at DKK 100 and 12,750 B-shares at DKK 100. There have not been any changes in share capital in the financial years.

Notes

	2005	2004
	€	t€
	<u> </u>	<u> </u>
5. Retained earnings		
Retained earnings at 1 July 2004	7.878	7
Net loss for the year	<u>(303)</u>	<u>0</u>
Retained earnings at 30 June 2005	<u>7.575</u>	<u>7</u>

6. Contingent liabilities

The company is liable for expenses for the public authorities regarding the management of the property 30, rue Masséna, Nice, France as well as wages and social expenses regarding the "concierge" of the property. These expenses are paid by the Shareholders' Association (Aktionærforeningen) for Résidence 30, rue Masséna Nice.

7. Related parties

Related parties with a controlling interest in Résidence Masséna Nice A/S:

Nice Invest, Farum, Denmark

Other related parties:

Executive Board and Supervisory Board

Transactions between related parties and Résidence Masséna Nice A/S in 2004/05:

None