



BLUE VISION®

Blue Vision A/S

Annual report 2010

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Statement by the Executive Board and the Board of Directors

Today, the Executive Board and the Board of Directors have discussed and approved the annual report of Blue Vision A/S for 2010.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2010 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January – 31 December 2010.

In our opinion, the Management commentary includes a fair review of the development in the Group's and the Company's operations and financial conditions, the results for the year and the Company's financial position, and the position as a whole for the entities included in the consolidated financial statements, as well as a description of the more significant risks and uncertainty factors that the Group and the Company face.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 March 2011
Executive Board:

Vilhelm Boas
Director

Board of Directors:

Jørgen Glistrup
Chairman

Thomas Hénin Falk-Rønne

Frederik Westenholz

Martin Blædel

Independent auditors' report

To the shareholders of Blue Vision A/S

We have audited the consolidated financial statements and the parent company financial statements of Blue Vision A/S for the financial year 1 January – 31 December 2010, pp. 28-81. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes for the Group as well as for the Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In addition to our audit, we have read the Management commentary prepared in accordance with Danish disclosure requirements for listed companies and provided a statement hereon.

Management's responsibility

Management is responsible for the preparation and presentation of consolidated financial statements and parent company 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 listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and using appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Management is also responsible for the preparation of a Management's review that includes a fair review in accordance with Danish disclosure requirements for listed companies.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

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

Independent auditors' report

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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2010 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January – 31 December 2010 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management commentary

Pursuant to the Danish Financial Statements Act, we have read the Management's review in the annual report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management commentary is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 31 March 2011

KPMG

Statsautoriseret Revisionspartnerselskab

Niels Erik Borgbo
State Authorised
Public Accountant

Søren Christiansen
State Authorised
Public Accountant

Management commentary

Company details

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c/o Danders & More
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2100 Copenhagen Ø
Denmark

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Fax: +45 +45 32 54 00
Website: www.blue-vision.dk
E-mail: info@blue-vision.dk

Registration No.: 26 79 14 13
Established: 20 September 2002
Financial year: 1 January - 31 December
Registered office: Copenhagen

Board of Directors

Jørgen Glistrup (chairman)
Thomas Hénin Falk-Rønne
Frederik Westenholz
Martin Blædel

Executive Board

Vilhelm Boas, director

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Borups Allé 177
DK-2000 Frederiksberg

Annual general meeting

The annual general meeting is to be held on 29 April 2011 at 9:00, Lautrupsgade 7, 2100 Copenhagen Ø.

Management commentary

Strandpromenaden 33-39, Copenhagen



Mikkelborg Park, Hørsholm



Roret, Snekkersten



Management commentary

Highlights

In 2010, the Blue Vision Group recorded a loss of DKK -1,415 thousand, which primarily relates to expenses for general administration of the Group, including operating the project Strandpromenaden 33-39 and fair value adjustment of investment properties, financial liabilities and derivative financial instruments with a net income of DKK 6,544 thousand.

At 31 December 2010, the Group's equity amounted to DKK 53,064 thousand (31 December 2009: DKK 53,468 thousand). If the capital increase in connection with the conversion of convertible debt on 14 March 2011 was incorporated at 31 December 2010, the Group's equity would amount to DKK 95,857 thousand.

At the end of 2010, the financing of the Group's investments and activities in the Seaside Holding Group and Strandpromenaden A/S was primarily based on long-term credits.

In 2010, the Blue Vision Group financed its operations by drawing on the Group's bank deposits.

The operating activities in 2011 will be financed by raising loans of DKK 5 million which will subsequently be refinanced by returns on the Group's activities and establishment of new operating credits.

The Blue Vision Group expects revenue from the existing activities in the form of rental income of DKK 14-15 million in 2011. The results from these renting activities are expected to amount to DKK 4-5 million for the same period.

In 2011, the operation of Strandpromenaden A/S will still be affected by the further development of the building project and will contribute a loss of approx. 2 million to the results for 2011.

In 2011, the Group expects a total profit from all activities of approx. DKK 10-15 million, including expected sales and thus an increase in the Group's equity of approx. 15%.

The aim for 2011 and the following years is to ensure an annual growth rate in the Company's book value per share of at least 15%.

In 2011 and the following years, the Group's equity ratio must amount to at least 20% of the Group's balance sheet total.

Management commentary

Business concept and objectives

Business concept

The Blue Vision Group's business concept is to invest in and develop real property on the Danish market for the purpose of creating added value.

The Group primarily focuses on the following objects:

- Properties in the Copenhagen and North Zealand areas with potential for further development.
- Tenemental properties with positive operating cash flows.
- Properties with potential for further development in the upper segment of the real estate market.
- Other investment properties.

Long-term objective

The Blue Vision Group's long-term objective is to increase the market value by means of acquisitions and project development on the Danish real estate market for the purpose of creating a competitive return on the shareholders' invested capital.

It is the Group's objective to become a significant player on the Danish real estate market within investment in and project development of residential and office building of high quality.

Financial objective

The Blue Vision Group's financial objective for the coming three years is to:

- ensure an annual growth rate in book value per share of at least 15%
- ensure an equity ratio of the Group's equity of at least 20% of the balance sheet total
- ensure a natural flow of projects with a high potential for value increases.

Management commentary

The year in outline

Operations

- In 2010, the Blue Vision Group recorded a loss of DKK -1,415 thousand, which primarily relates to expenses for general administration of the Group, including operating the project Strandpromenaden 33-39 and fair value adjustment of investment properties, financial liabilities and derivative financial instruments with a net income of DKK 6,544 thousand. The Group had no significant operating income in 2010.
- When adjusted for fair value adjustments, the loss after tax amounts to DKK -6,323 thousand, which should be seen against the expectation of a loss of approx. DKK 4.0-4.5 million.
- In 2010, the operation of the Group was characterised by the change of the Group's activities so that, in the future, the Group's activities will only comprise investment in real property. With the acquisition of the Seaside Holding Group, the Blue Vision Group has established its presence in the Danish real estate market with an attractive property portfolio with an annual rental income of approx. DKK 15 million.

Financing

- In 2010, the Blue Vision Group financed its operations by drawing on the Group's cash bank deposits. In connection with the Blue Vision Group's acquisition of all the shares in Seaside Holding A/S, the Group raised a loan with the seller of the shares to finance the acquisition.
- The Blue Vision Group's activities in the Seaside Holding Group are primarily financed by long-term mortgage credit financing with hedging of the interest rate level in connection with interest rate swaps. In the future, the operation of the properties will provide positive cash flows to the Group.
- With the payment of tranche 2 in 2010, the final financing of the acquisition of Strandpromenaden 33 was established, and subsequently, the property was acquired by cash payment of DKK 60 million and with a first mortgage roll-up loan of DKK 41.9 million provided by Freja Ejendomme.
- The operating activities in Blue Vision A/S and the costs for further development of Strandpromenaden 33-39 in 2011 will be financed by raising loans of DKK 5 million which will subsequently be refinanced by returns on the Group's activities and establishment of new operating credits.

Investments

- In 2010, the Blue Vision Group acquired the property Strandpromenaden 33-39 from Freja Ejendomme A/S by paying tranche 2 of the acquisition price.

At the same time, the final total acquisition price for Strandpromenaden was determined at DKK 101.9 million, provided that a satisfactory local development plan is approved for the property.

Management commentary

The year in outline

The investment comprises the plot of land Strandpromenaden 33-39 which is situated overlooking Oresund. The plot of land was acquired with four existing buildings, of which a large villa (Strandpromenaden 33) of 1,100 m² was officially put up for sale to a third party in February 2011. The remaining buildings are expected to be demolished, and a new residential project will be established. The local development plan for Strandpromenaden 33-39 is expected to be presented to the Copenhagen City Council for final approval in May 2011.

- In December 2010, Blue Vision A/S acquired all the shares in the property investment company Seaside Holding A/S.

Through a number of subsidiaries, Seaside Holding A/S owns a large property portfolio in North Zealand and one property in Inner Copenhagen. The portfolio comprises 110 owner-occupied flats in the building complex Mikkelborg Park in Hørsholm totalling 9,384 m², 16 owner-occupied flats in the building complex Roret in Snekkersten totalling 1,599 m² and the rental properties Skovgaardsvej 20 A-F in Charlottenlund of 1,520 m² and Ole Suhrs Gade 13-15 in Copenhagen of 1,872 m².

All four investment properties have a high maintenance standard and a good location. At 31 December 2010, the total property portfolio had a fair value of DKK 342.9 million and consisted of 174 flats of a total of 14,375 m², corresponding to an average value of DKK 23,850 per m². The average value per flat amounts to DKK 1.97 million.

In addition to the expected profit from the operation of the properties, the Blue Vision Group will consolidate the Seaside Holding Group on an ongoing basis by partially selling owner-occupied flats and further developing the portfolio.

Investment properties

Subsequent to the acquisition of the property portfolio in the Seaside Holding Group and the final acquisition of Strandpromenaden 33-39 at 31 December 2010, the Group has five investment properties.

In the annual report for 2010, the properties have been recognised at fair value at 31 December 2010, which has been determined as follows:

- For the properties Roret and Mikkelborg Park, the fair value was determined based on the average selling price per m² for similar flats in the buildings which had been sold within the past 12 months prior to the balance sheet date. It is the intention, in the future to optimise these leases on an ongoing basis with the possibility of selling units when the market conditions warrant it.
- For the properties Ole Suhrs Gade and Skovgaardsvej, the fair value was determined based on a required rate of return of 5% based on the net income from the existing leases with an addition for unutilised loft spaces. These properties, which cannot be divided for sale as owner-occupied flats, will be optimised and sublet on an ongoing basis.
- For Strandpromenaden, the fair value was determined at the original acquisition price at the acquisition from Freja Ejendomme A/S. In the coming two years, the Group will

Management commentary

The year in outline

carry out a large building project at the area for the purpose of subsequent lease for residential use.

Special risks apart from any generally occurring risks in the industry

As a player in the real estate market, the Blue Vision Group is subject to the general development of this market, which is dependent on interest rate and economic developments.

None of these risks are different from any generally occurring risks in the industry.

Events in 2010

- By exercising an option, Blue Vision A/S acquired the remaining 30% of the shares in Strandpromenaden A/S on 19 February 2010. Subsequently, Strandpromenaden A/S is a wholly-owned subsidiary in the Blue Vision Group.
- On 19 February 2010, the subordinate loan from Kiwi Deposit Holding A/S to Blue Vision A/S was increased by an additional DKK 17.4 million so that the total subordinate loan amounted to DKK 27.4 million. At the same time, the Group's loan from Intrinsic Property Holding A/S of DKK 9.9 million including interest was repaid.
- On 15 March 2010, the Danish Securities Council decided to report Blue Vision A/S' Board of Directors at 9 November 2009 to the police on the recommendation of the Danish Financial Supervisory Authority. The report relates to the delayed publication of the statement by the Board of Directors in connection with the mandatory offer to acquire shares in the Company made by Kiwi Deposit Holding A/S in 2009.

It is the opinion of the Board of Directors that nobody, including the shareholders, suffered any damage as a consequence of the delayed publication. Moreover, we refer to market announcement no. 4 dated 16 March 2010. The matter was subsequently resolved by the Company paying minimum fines, and the matter is subject to consultant's liability.

- On 24 March 2010, the Company's Board of Directors entered into a contract with Vilhelm Boas on his position as CEO of Blue Vision A/S full-time.
- In connection with the process of preparing the new local development plan for Strandpromenaden 33-39, the preliminary report for the project prepared by Strandpromenaden A/S and Freja Ejendomme A/S was approved by the City of Copenhagen in April 2010. The process of preparing the local development plan for the area still proceeds as planned.
- On 1 July 2010, Strandpromenaden A/S concluded an agreement with Freja Ejendomme A/S under which the acquisition price for the property Strandpromenaden 33-39 was determined at DKK 101.9 million, provided that a satisfactory local development plan is approved for the property.
- On 17 November 2010, Blue Vision A/S entered into a conditional agreement on the acquisition of all the shares in the property investment company Seaside Holding A/S which owns a large property portfolio in North Zealand and Inner Copenhagen via a number of subsidiaries. Final acquisition of the shares was made on 20 December 2010.

Management commentary

The year in outline

Blue Vision financed the acquisition by issuing four debt instruments corresponding to the total acquisition price, of which two of the debt instruments were issued as convertible debt instruments.

Due to Blue Vision A/S' existing capital structure at the date of the conclusion of the agreement on the acquisition of the shares in Seaside Holding A/S and the conversion price agreed upon by the parties, Blue Vision A/S was required to reduce its share capital proportionately before any conversion of the convertible debt instruments could take place. This is due to the fact that subscription of shares related to the exercise of rights of conversion in accordance with the Danish Companies Act must take place as a minimum at par.

In connection with the transfer, the Board of Directors of Blue Vision A/S decided to repay the subordinate loan from Kiwi Deposit Holdings A/S by issuing a convertible debt instrument to Kiwi Deposit Holdings A/S granting the lender the right to conversion at the same terms as the seller of Seaside Holding A/S.

- On 22 November 2010, an extraordinary general meeting was called to be held on 14 December 2010 with the following agenda:

1. The Board of Directors' proposal for reducing the share capital for payment of losses
2. The Board of Directors' proposal for authority to issue convertible bonds
3. The Board of Directors' proposal for changes to article 10 of the articles of association relating to the Board of Directors' composition
4. Any other business

- On 14 December 2010, an extraordinary general meeting was held in Blue Vision A/S.

Shareholders representing 93.38% of the Company's voting shares attended the extraordinary general meeting.

All the proposals were adopted with the following changes of the Company's articles of association:

1. In article 3.1, the Company's share capital was changed from "DKK 130,862,500.00" to "DKK 45,000,000.00".
2. Article 4.4: "Until 14 December 2015, the Board of Directors is authorised to issue convertible bonds once or more times. As a maximum, the convertible bonds may grant the right to convert to share capital nom. DKK 39,701,590 distributed on 397,016 shares of DKK 100 per share in the Company. The conversion price must amount to 159.94. The convertible bonds may be issued without pre-emption rights for the Company's existing shareholders. At the same time, the Board of Directors is authorised to increase capital in the Company once or several times in connection with a subsequent exercise of the right of conversion in accordance with the issued convertible debt instruments. The increase may be made without pre-emption rights for the existing shareholders. The new shares must be of the same share class and otherwise in all respects be equal to the existing shares in the Company. Moreover, the new shares must be negotiable instruments and bearer shares but may be registered in the Company's register of

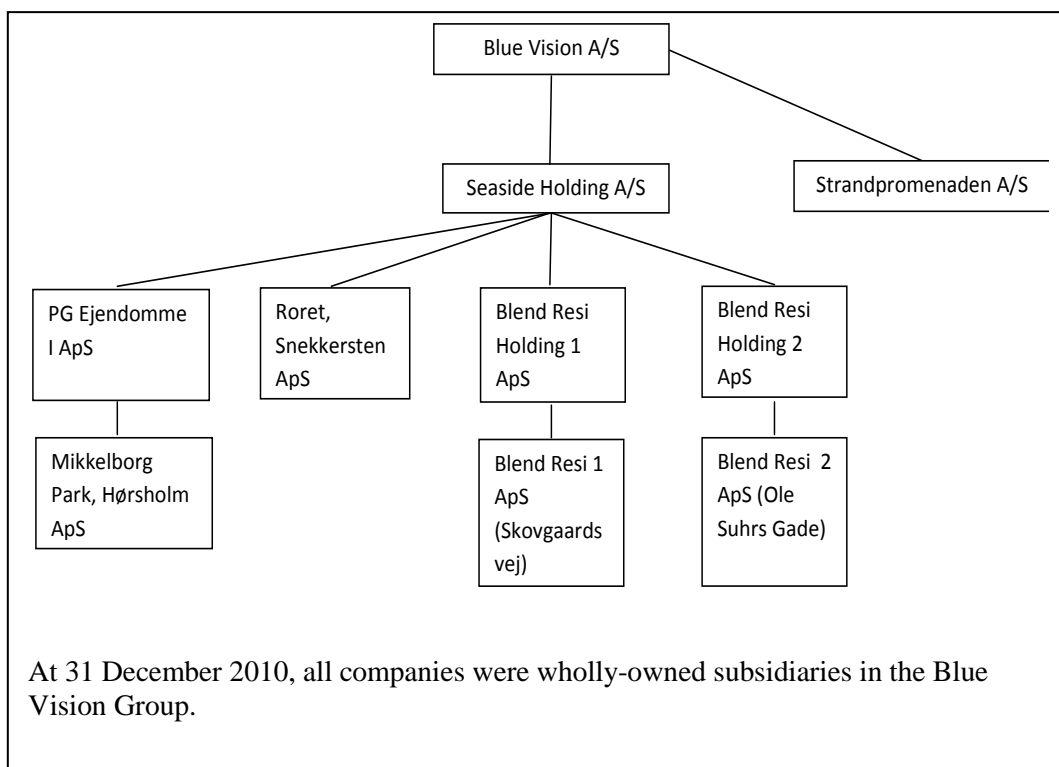
Management commentary

The year in outline

shareholders, see paragraph 3 of the articles of association. The right to receive dividend and other rights in the Company attached to the new shares take effect from the date prescribed by the Board of Directors; however, no earlier than from the first financial year after the year when the capital increase is registered."

3. Article 10.1: "The Company is managed by a Board of Directors of 5-7 members. The members of the Board of Directors are elected for one year at a time. Re-election is allowed. No member of the Board of Directors may have a seat on the Board subsequent to the annual general meeting in the calendar year when the member attains the age of 70. Shareholders holding or representing 12.5% or more of the Company's share capital are entitled to appoint one member of the Board of Directors. Other members are elected by the general meeting. Apart from the appointed members and members elected by the general meeting, the employees may elect a number of members of the Board of Directors in accordance with the relevant applicable legislation at any time.
- On 20 December 2010, in accordance with the agreed time for payment, Strandpromenaden A/S settled tranche 2 amounting to DKK 34.8 million including interest from 1 July 2010 with Freja Ejendomme A/S.
 - On 20 December 2010, the Board of Directors of Blue Vision A/S held a board meeting where the authority granted to the Board of Directors in article 4.4 of the articles of association to issue convertible bonds was exercised, see published minutes of the board meeting dated 20 December 2010.

Group chart



Management commentary

Financial highlights for the Group

| Income statement (DKK'000) | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|-----------|-----------|-----------|-----------|-----------|
| Revenue | 517 | 0 | 0 | 0 | 0 |
| Administrative expenses | -5,523 | -967 | 0 | 0 | 0 |
| Operating loss | -5,153 | -967 | 0 | 0 | 0 |
| Fair value adjustment of investment properties and financial liabilities | 8,524 | 0 | 0 | 0 | 0 |
| Finance income and finance costs, net | -5,240 | -18 | 0 | 0 | 0 |
| Loss from continuing operations before tax | -1,869 | -985 | 0 | 0 | 0 |
| Tax on loss from continuing operations | 454 | 246 | 0 | 0 | 0 |
| Loss from continuing operations | -1,415 | -739 | 0 | 0 | 0 |
| Loss from discontinued operations | 0 | -11,297 | -92,669 | 795 | -675 |
| Profit/loss before tax | -1,415 | -12,036 | -92,669 | 795 | -675 |
| Balance sheet (DKK'000) | | | | | |
| Investment properties | 342,909 | 0 | 0 | 0 | 0 |
| Investment properties under construction | 95,433 | - | - | - | - |
| Project portfolio | 35,000 | 52,712 | 0 | 0 | 0 |
| Share capital | 45,000 | 130,863 | 130,863 | 130,863 | 130,863 |
| Share capital (in case of conversion) | 75,784 | 130,863 | 130,863 | 130,863 | 130,863 |
| Equity | 53,064 | 53,468 | 56,253 | 148,922 | 148,127 |
| Equity (in case of conversion) | 95,857 | 53,468 | 56,253 | 148,922 | 148,127 |
| ASSETS | 497,261 | 75,705 | 261,672 | 590,994 | 596,855 |
| Financial ratios | | | | | |
| Profit/loss before tax calculated as a percentage of average equity (DKK) | -3.51 | -26.22 | -101.11 | -0.29 | -0.39 |
| Profit/loss after tax calculated as a percentage of average equity (DKK) | -2.66 | -23.34 | -90.33 | 0.54 | -0.45 |
| Profit/loss after tax per number of shares, end of year (DKK) | -3.15 | -9.20 | -70.81 | 0.61 | -0.52 |
| Profit/loss after tax per number of shares ex. treasury shares (DKK) | -1.10 | -9.70 | -75.64 | 0.65 | -0.55 |
| Solvency ratio | 10.67 | 61.77 | 21.50 | 25.20 | 24.82 |
| Earnings per share (EPS basic), DKK | -1.10 | -9.70 | -75.64 | 0.65 | -0.55 |
| Diluted earnings per share (EPS diluted), DKK | -1.10 | -9.70 | -75.64 | 0.65 | -0.55 |
| Number of shares | | | | | |
| Outstanding number of shares, end of year | 450,000 | 1,308,625 | 1,308,625 | 1,308,625 | 1,308,625 |
| Outstanding number of shares ex. treasury shares, end of year | 449,897 | 1,308,625 | 1,225,076 | 1,225,076 | 1,225,076 |
| Average number of outstanding shares ex. treasury shares | 1,285,098 | 1,235,520 | 1,225,076 | 1,225,076 | 1,225,806 |
| Per share of nom. DKK 100 (stated in DKK) | | | | | |
| Net asset value (as submitted to OMX Nordic Exchange Copenhagen, end of year) | N/A | N/A | 38.22 | 122.56 | 125.94 |
| Book value per share (BVPS) | 117.95 | 35.81 | 45.92 | 121.56 | 120.91 |
| Market price (most recent trading) | *107.60 | 35.00 | 41.00 | 124.50 | 126.50 |
| Market price/net asset value | 0.9123 | 0.9434 | 0.8929 | 1.0242 | 1.0462 |
| (*Most recent market price 37 for share capital before write-down) | | | | | |

Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. Other financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2010". For financial ratio definitions, please see page 81.

Management commentary

Operating review

Results for the year and equity

In 2010, the Blue Vision Group recorded a loss of DKK -1,415 thousand (2009: DKK -12,036 thousand). In 2009, discontinued operations of DKK -11,297 were included in the results.

The results for the year have been positively affected by fair value adjustments of investment properties and financial liabilities of DKK 8,524 thousand and negatively affected by fair value adjustments of interest rate swaps of DKK 1,980 thousand. When adjusted for fair value adjustments, the loss amounts to DKK -6,323 thousand, which should be seen against the expectation of a loss of approx. DKK 4.0-4.5 million.

At 31 December 2010, the Group's equity amounted to DKK 53,064 thousand (31 December 2009: DKK 53,468 thousand). If the capital increase in connection with the conversion of convertible debt on 14 March 2011 was incorporated at 31 December 2010, the Group's equity would amount to DKK 95,857 thousand.

Outlook for the Group for 2011

2011 will be characterised by a general focus on optimisation and consolidation of the Group's existing activities, i.e. primarily the further development, construction and sale of the project in Strandpromenaden A/S and focus on optimisation of the operation of the investment properties in the Seaside Holding Group.

Moreover, a further increase in the Group's investment activities in new investment properties and property projects is expected in 2011.

The Blue Vision Group expects revenue from the existing activities in the form of rental income of DKK 14-15 million in 2011. The results from these renting activities are expected to amount to DKK 4-5 million for the same period.

In 2011, the operation of Strandpromenaden A/S will still be affected by the further development of the building project and will contribute a loss of approx. 2 million to the results for 2011.

In 2011, the Group expects a total profit from all activities of approx. DKK 10-15 million, including expected sales and thus an increase in the Group's equity of approx. 15%.

Line of business

The Blue Vision Group focuses on investments and property development in the Danish real estate market primarily within residential housing and office buildings. Moreover, the Group has not performed a real segmentation of the market area apart from primarily focusing on the real estate market in Copenhagen and North Zealand.

In 2010, the development in the real estate market within the Group's focus area was characterised by an increasing stability in prices; however, the after-effects of the financial crisis mean that it is still difficult to obtain attractive financing for investments in real property.

Management commentary

Operating review

The development is expected to continue in 2011; however, with an increasing relaxation in the financial markets and thus an increase in the number of transactions in the real estate market. Consequently, it is still the Group's intention to further develop its portfolio and opportunistically utilise the developments in the real estate market and Blue Vision A/S' possibility for wholly or partly paying acquisition prices in listed shares.

Financial risks

Interest rate risks

The Group has entered into interest rate swaps, primarily for the purpose of controlling interest rate risks on mortgage loans in the Seaside Holding Group.

The Group has floating-rate financial liabilities towards a related party. Some of these liabilities will be converted to share capital in 2011.

The Group's bank deposits are placed in current accounts.

Liquidity risks

The Group's liquidity reserve consists of cash at bank and in hand. In addition, the Group raised a loan of DKK 5 million in February 2011 to cover the Group's liquidity needs up until an expected sale of the property Strandpromenaden 33. The loan falls due for repayment in full on 1 August 2011.

Intellectual capital

By virtue of the Company's Board of Directors and Executive Board and a number of leading shareholders, Blue Vision A/S has wide experience and know-how within investment in real property and general financing of acquisition and sale of real property, including development of large property projects within residential and non-residential construction.

In addition, the Group uses a number of external architects and contractors in the development and performance of property projects.

Incentive programmes

The Blue Vision Group has no incentive programmes.

Events after the balance sheet date

On 22 February 2011, Kiwi Deposit Holding A/S and ALMC hf. announced that they wished to convert the convertible debt instruments of originally DKK 28.4 million and DKK 20.0 million, respectively, into share capital. For the purpose of utilising the option to convert added interest on the two loans, in accordance with the Board of Directors' authority, the Company issued additional convertible debt instruments on interest accrued up until 14

Management commentary

Operating review

March 2011 of DKK 537.5 thousand and DKK 339.0 thousand, respectively. On 14 March 2011, the two lenders announced that they also wished to convert these convertible debt instruments into shares in Blue Vision A/S. According to the agreement, the conversion price was determined at 159.94 per share of nom. DKK 100.

On 14 March 2011, the Board of Directors of Blue Vision A/S decided to raise the Company's share capital by nom. DKK 30,783,500, distributed on 307,835 shares of DKK 100 for the use of the conversion of the above-mentioned convertible debt instruments. Subsequently, the share capital amounts to DKK 75,783,500, and as a consequence of the conversion, the Group's equity increased by DKK 42.8 million.

In connection with the conversion, ALMC hf. became a shareholder in Blue Vision A/S with a shareholding corresponding to 16.8% of the share capital and the voting rights.

Subsequent to the conversion of the mentioned loans on 14 March 2011, the Group has convertible loans from ALMC hf. of originally DKK 15 million plus accrual of interest. Two convertible debt instruments of DKK 15 million and DKK 4.8 million, respectively, have been issued to cover interest during the term of the loan up until 20 December 2014.

When the capital increase after conversion of debt is taken into consideration, a true and fair view of the Blue Vision Group's pro forma balance sheet can be specified as follows, provided that the conversion has been carried out at the date of the presentation of the annual report for 2010:

| DKK'000 | 2010 (in case of conversion) | 2010 |
|--------------------------------------|------------------------------------|----------------|
| ASSETS | | |
| Total non-current assets | 360,077 | 360,077 |
| Total current assets | 41,751 | 41,751 |
| Total assets | <u>497,261</u> | <u>497,261</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 75,784 | 45,000 |
| Other reserves | 20,073 | 8,064 |
| Total equity | <u>95,857</u> | <u>53,064</u> |
| Total non-current liabilities | 390,392 | 433,185 |
| Total current liabilities | 11,012 | 11,012 |
| Total liabilities | <u>401,404</u> | <u>444,197</u> |
| Total equity and liabilities | <u>497,261</u> | <u>497,261</u> |

Thus, the Group's solvency ratio has been significantly strengthened after the conversion of the convertible loans with an increase in the Group's own financing of its assets from 10.7% to 19.3%.

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Apart from this, no significant events have occurred after 31 December 2010.

Corporate governance

Blue Vision A/S' Board of Directors and Executive Board always aim at ensuring that the Group's management structure and control systems are appropriate and function satisfactorily. A number of internal policies and procedures have been developed and are maintained on an ongoing basis for the purpose of ensuring active, secure and profitable management of the Group.

In April 2010, the Committee on Corporate Governance published updated Recommendations for corporate governance based on the "comply or explain" principle.

It is the Board of Directors' opinion that Blue Vision A/S' Management in all material respects complies with the Recommendations for corporate governance considering the Company's size and level of activity. In 2011 and in line with the Group's development, Management will still maintain and implement new procedures to ensure compliance with the recommendations.

Blue Vision publishes the statutory corporate governance statement, see section 107b of the Danish Financial Statements Act, on the Company's website (http://blue-vision.com/_test5.html).

Internal control and risk management systems in connection with the financial reporting process

The statutory corporate governance statement, see section 107b of the Danish Financial Statements Act, contains rules on risk management and internal control in respect of financial reporting.

The Board of Directors and the Executive Board are generally responsible for the Group's risk management and internal control in connection with the financial reporting process, including compliance with relevant legislation and other regulation in respect of the financial reporting.

Due to the Group's modest size and complexity and the fact that the Group has no employees apart from the Executive Board, no actual control and risk management systems have been implemented. However, the Executive Board reports accounting matters to the Board of Directors on an ongoing basis. It is intended that monthly meetings of the Board of Directors be held.

Corporate social responsibility

Due to the Group's modest size, the Blue Vision Group has yet to adopt actual policies and prepare a statement on the Group's corporate responsibility.

Management commentary

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Shareholder information

Share capital

The Company's share capital amounts to nom. DKK 45,000 thousand, corresponding to 450,000 shares of nom. DKK 100. The shares are listed on NASDAQ OMX under ID code DK0060278737. All shares rank equally. There are no restrictions on the transferability and no restrictions on voting rights.

At the extraordinary general meeting on 14 December 2010 in Blue Vision A/S, it was decided to reduce the Company's share capital from DKK 130,862,500 to DKK 45,000,000. The reduction was used to cover losses from previous years.

The registration of the capital reduction was made in VP Securities in the beginning of January 2011.

In 2010, the Company saw limited trading in its shares.

The Company's articles of association may be amended if the decision is passed by at least 2/3 of both the votes cast and the voting shares represented at the general meeting.

In accordance with articles 4 of the Company's articles of association, the Company's Board of Directors is authorised increase the Company's share capital once or several times up to nom. DKK 250,000,000 until 1 October 2014. The increase may take place by means of cash payment, conversion of debt or payment in other values than cash, including contribution of an existing enterprise. The increase may be made without pre-emption rights for the Company's existing shareholders if the increase is made at market price. The new shares must be of the same share class and otherwise in all respects be equal to the existing shares in the Company. Moreover, the new shares must be negotiable instruments and bearer shares but may be registered in the Company's register of shareholders. The right to receive dividend and other rights in the Company attached to the new shares take effect from the date prescribed by the Board of Directors; however, no earlier than from the first financial year after the year when the capital increase is registered.

Moreover, until 1 October 2014, the Board of Directors is authorised to let the Company issue warrants once or several times. As a maximum, the warrants must grant the right to subscribe for shares of nom. DKK 250,000,000 in the Company; however, as a maximum 50% of the share capital at the date when the decision to issue the warrants is made. The issue may be made without pre-emption rights for the Company's existing shareholders if the issue is made on an arm's length basis. At the same time, the Board of Directors is authorised to increase capital in the Company once or several times in connection with the subsequent exercise of the above-mentioned warrants. The increase may be made without pre-emption rights for the Company's existing shareholders. The new shares must be of the same share class and otherwise in all respects be equal to the existing shares in the Company. Moreover, the new shares must be negotiable instruments and bearer shares but may be registered in the Company's register of shareholders. The right to receive dividend and other rights in the Company attached to the new shares take effect from the date prescribed by the Board of Directors; however, no earlier than from the first financial year after the year when the capital increase is registered.

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Moreover, until 1 October 2014, the Board of Directors is authorised to, once or several times, let the Company raise loans against bonds or other debt instruments with a right for the lender to convert his claim to shares in the Company (convertible loans). The convertible loan must not exceed DKK 250,000,000; however, as a maximum 50% of the share capital at the date when the decision to raise the loan is made. The convertible loan may be raised without pre-emption rights for the Company's existing shareholders if the borrowing is made on an arm's length basis. At the same time, the Board of Directors is authorised to increase capital in the Company once or several times in connection with a subsequent conversion of the above-mentioned loan. The increase may be made without pre-emption rights for the Company's existing shareholders. The new shares must be of the same share class and otherwise in all respects be equal to the existing shares in the Company. Moreover, the new shares must be negotiable instruments and bearer shares but may be registered in the Company's register of shareholders. The right to receive dividend and other rights in the Company attached to the new shares take effect from the date prescribed by the Board of Directors; however, no earlier than from the first financial year after the year when the capital increase is registered.

As part of the Company's acquisition of the share capital in Seaside Holding A/S, reg. no. 31 17 67 35, and for the purpose of meeting the Company's obligation to issue convertible debt instruments to ALMC hf., Iceland, company no. 701086-1399 of DKK 20,000,000 and DKK 15,000,000, respectively, in accordance with the Share Sale and Purchase Agreement dated 17 November 2010 including Addendum I dated 14 December 2010 and also for the purpose of replacing the Company's subordinate loan, amounting to DKK 28,359,000 including added interest at 30 September 2010, with Kiwi Deposit Holdings A/S, reg. no. 32 44 25 87 with a convertible debt instrument, the Board of Directors decided on 20 December 2010 to exercise its authority granted in the former article 4.4 of the Company's articles of association regarding the issue of convertible bonds.

The convertible debt instruments were issued at the following identical terms:

1. The convertible bonds give the right to convert to share capital nom. DKK 39,701,590 distributed on 397,016 shares of DKK 100 per share in the Company;
2. As to the convertible debt instrument of DKK 20,000,000, the right of conversion must be exercised no later than 31 March 2011, while the right of conversion for the other convertible debt instruments of DKK 15,000,000 and DKK 28,359,000 must be exercised no later than 20 December 2014. The conversion must take place no later than 30 days after a written notice of the exercise of the right of conversion has been sent to the Company;
3. The new shares must be of the same share class and otherwise in all respects be equal to the existing shares in the Company. The new shares must be negotiable instruments and bearer shares but may be registered in the Company's register of shareholders, see article 3 of the articles of association;
4. The convertible bonds are issued without pre-emption rights for the Company's existing shareholders, and the capital increase in connection with the exercise of the right of conversion in accordance with the issued convertible debt instruments is made without pre-emption rights for the existing shareholders;

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5. The right to receive dividend and other rights in the Company attached to the new shares take effect from the date of the conversion;
6. The debt to ALMC hf. of DKK 20,000,000 and DKK 15,000,000 arose on closing of the Company's acquisition of Seaside Holding A/S on 20 December 2010, while the debt to Kiwi Deposit Holdings A/S of DKK 28,359,000 is attributable to a subordinate loan from 13 November 2009.
7. The convertible debt instruments of DKK 20,000,000 and DKK 15,000,000 to ALMC hf. grant the right to subscribe for 125,044 shares and 93,784 shares, respectively, of DKK 100, while the convertible debt instrument to Kiwi Deposit Holdings A/S grants the right to subscribe for 178,188 shares of DKK 100 in the Company. In accordance with the convertible debt instruments, the conversion price of all the shares amounts to 159.94;
8. Increase or reduction of the share capital, issue of new warrants, issue of additional convertible debt instruments, merger or demerger taking place up until the exercise of the right of conversion do not change the rights that will accrue to the holder of the convertible bonds; and
9. If the Company is dissolved by liquidation or bankruptcy, the convertible bonds lose their value.

According to the Company's articles of association, the Board of Directors is authorised to determine the detailed terms of the capital increases in accordance with the above-mentioned authority and to amend the Company's articles of association as necessary due to the Board of Directors' exercise of the above-mentioned authority.

It is Management's assessment that the Company's capital and share structure is appropriately prepared and that the Company's Board of Directors by use of e.g. the above-mentioned authority may ensure that the capital and share structure is adapted to the shareholders' and Blue Vision A/S' interests on an ongoing basis.

Dividends

Blue Vision A/S has not established an actual dividend policy. It is expected that the Company's shareholders in the coming years will obtain a return on their investment in the form of increases in the price of the Company's shares. In the future, distribution of dividends will be made in consideration of necessary consolidation of equity as the basis for the Group's continued expansion.

The Board of Directors proposes no dividends for 2010 to the Company's general meeting.

Treasury share policy

In accordance with the authority granted by the general meeting, Blue Vision A/S may acquire a maximum of nom. DKK 4,500 treasury shares, corresponding to 10% of the share capital.

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At the end of 2010, Blue Vision A/S had 103 shares of DKK 100. The holding of treasury shares has been acquired by means of settlement of share splits in connection with the write-down of the Company's share capital in December 2010. Moreover, the Company has not established a policy for acquiring treasury shares.

At the beginning of 2010, the Group had no holding of treasury shares.

Financial ratios for shares and dividends

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|--------|--------|---------|--------|--------|
| Average number of outstanding shares ('000) | 1,285 | 1,235 | 1,225 | 1,225 | 1,224 |
| Earnings per share (EPS basic), DKK * | -1.10 | -9.70 | -75.64 | 0.65 | -0.55 |
| Diluted earnings per share (EPS diluted), DKK * | -1.10 | -9.70 | -75.64 | 0.65 | -0.55 |
| Cash flow per share (CFPS), DKK | -41.18 | 1.85 | -240.98 | -0.88 | 24.09 |
| Book value per share (BVPS), DKK | 117.95 | 35.81 | 45.92 | 121.56 | 120.91 |
| Share price at year end, DKK ** | 107.60 | 35.00 | 41.00 | 124.50 | 126.50 |
| Dividend per share, DKK | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Payout ratio in % | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current price earnings Basic (P/E) | Neg. | Neg. | Neg. | 191.54 | Neg. |
| Price/book value (P/BV) | 0.9123 | 0.9434 | 0.8929 | 1.0242 | 1.0462 |

* Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33 (note 8 to the consolidated financial statements)

** Most recent market price for 2010 is 37 for share capital before write-down

Other financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2010", see financial ratio definitions on page 81.

Management commentary

Operating review

Shareholders, capital and votes

The Company's share capital of DKK 45,000,000 consists of 450,000 shares with one vote each.

Shareholder composition at the date of the financial reporting:

| | Number of shares | ownership interest | Number of shares at conversion | Ownership interest at conversion |
|--------------------------------|---------------------|-----------------------|---|--|
| | item | % | item | % |
| Kiwi Deposit Holding A/S | 160,916 | 35.76 | 341,586 | 45.07 |
| ALMC hf. | 0 | 0 | 127,165 | 16.78 |
| Intrinsic Property Holding A/S | 123,793 | 27.51 | 123,793 | 16.34 |
| Blue Estate Holding A/S | 73,588 | 16.35 | 73,588 | 9.71 |
| Stranden Holding A/S | 24,758 | 5.50 | 24,758 | 3.27 |
| Norling Kierkegaard Invest ApS | 24,758 | 5.50 | 24,758 | 3.27 |
| Other registered shareholders | 40,214 | 8.94 | 40,214 | 5.30 |
| Unregistered shareholders | 1,870 | 0.42 | 1,870 | 0.25 |
| Total ex. treasury shares | 449,897 | 99.98 | 757,732 | 99.99 |
| Treasury shares | 103 | 0.02 | 103 | 0.01 |
| | <u>450,000</u> | <u>100.00</u> | <u>757,835</u> | <u>100,00</u> |

Financial calendar for 2011

The annual general meeting for 2010 is to be held on 29 April 2010 at 9:00, at the Company's office at Lautrupsgade 7, 2100 Copenhagen Ø.

The financial calendar for 2011 is as follows:

| | |
|-----------------|--|
| 31 March 2011 | Presentation of annual report for 2010 |
| 29 April 2011 | Annual general meeting for 2010 |
| 4 May 2011 | Presentation of interim report for first quarter 2011 |
| 19 August 2011 | Presentation of interim report for second quarter 2011 |
| 4 November 2011 | Presentation of interim report for third quarter 2011 |
| 30 March 2012 | Presentation of annual report for 2011 |
| 30 April 2012 | Annual general meeting for 2011 |

Investor Relations (IR)

Blue Vision A/S aims at having a high level of information and a continuous active and open dialogue with investors and analysts and working on passing on extensive information to the share market on the Company's financial and operational matters and strategies and publishing investor relations material on the Company's website.

Management commentary

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Due to the limited size of Blue Vision A/S, the Company has not established an actual IR department, and the Company's investor relations are primarily handled by the Company's chairman and Executive Board.

Contact person – Investor Relations

Further information as well as all published announcements may be found on Blue Vision A/S' website, www.blue-vision.dk.

Moreover, inquiries regarding investor relations and the share market may be addressed to:

Vilhelm Boas

Telephone: +45 28 30 52 14

Fax: +45 32 54 88 00

E-mail: info@blue-vision.dk

Published company announcements in 2010 and 2011

In 2010, Blue Vision A/S published the following company announcements:

| | |
|-------------|---|
| 19 January | Announcement from the Company's Board of Directors regarding the exercise of an option to acquire 30% of the shares in Strandpromenaden A/S |
| 2 February | Deferral of closing of transaction |
| 19 February | Closing of transaction regarding the exercise of an option to acquire 30% of the shares in Strandpromenaden A/S |
| 19 February | Major shareholder announcement |
| 16 March | Notification of the Board of Directors |
| 24 March | Executive Board |
| 26 March | Financial calendar 2010 |
| 31 March | Preliminary announcement of financial statements 2009 |
| 6 April | Notice of general meeting |
| 19 April | Annual report 2009 |
| 26 April | Notification under section 28 A – Notification of executive employees' and their related parties' transactions with Blue Vision A/S' shares |
| 29 April | General meeting |
| 29 April | New articles of association |
| 6 May | Notification under section 28 A – Notification of executive employees' and their related parties' transactions with Blue Vision A/S' shares |
| 14 May | Notification under section 28 A – Notification of executive employees' and their related parties' transactions with Blue Vision A/S' shares |
| 18 May | Correction to market announcement no. 13 dated 14 May 2010 |
| 18 May | Notification under section 28 A – Notification of executive employees' and their related parties' transactions with Blue Vision A/S' shares |
| 25 May | Interim report for first quarter 2010 |
| 1 July | Market announcement (change of agreement with Freja Ejendomme A/S) |
| 15 July | Notification under section 28 A – Notification of executive employees' and their related parties' transactions with Blue Vision A/S' shares |

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| | |
|---|---|
| 27 July | Notification under section 28 A – Notification of executive employees' and their related parties' transactions with Blue Vision A/S' shares |
| 19 August | Interim report for first half of 2010 |
| 30 August | Notification under section 28 A – Notification of executive employees' and their related parties' transactions with Blue Vision A/S' shares |
| 5 November | Financial calendar 2011 |
| 5 November | Interim report for third quarter 2010 |
| 17 November | Blue Vision A/S acquires all the shares in property portfolio company |
| 22 November | Notice of extraordinary general meeting in Blue Vision A/S |
| 14 December | Minutes of extraordinary general meeting |
| 14 November | Extraordinary general meeting in Blue Vision A/S |
| 16 December | Extension of time for payment of tranche 2 to Freja Ejendomme A/S and postponement of expected closing of agreement on Blue Vision A/S' acquisition of all the shares in property portfolio company |
| 20 December | Blue Vision A/S acquires all the shares in Seaside Holding A/S |
| 20 December | Minutes of meeting of the Board of Directors on 20 December 2010 |
| In 2011, Blue Vision A/S published the following company announcements: | |
| 22 February | Conversion of convertible debt instruments |
| 25 February | Issue of convertible debt instruments |
| 14 February | Conversion of convertible debt instruments |
| 15 February | Correction and registration of capital increase |
| 15 February | Major shareholder announcement |
| 18 March | Temporary ID code in Blue Vision A/S |

Expected company announcements in 2011

Blue Vision A/S expects to issue the following company announcements, etc., in 2011:

| | |
|------------|--|
| 31 March | Presentation of annual report for 2010 |
| 29 April | Annual general meeting for 2010 |
| 4 May | Presentation of interim report for first quarter 2011 |
| 19 August | Presentation of interim report for second quarter 2011 |
| 4 November | Presentation of interim report for third quarter 2011 |

Management commentary

Operating and financial review

Income statement

Gross profit

In all material respects, the Group's gross profit amounting to DKK 370 thousand is attributable to the operation of the Group's investment properties from the date of the acquisition of the activities in Seaside Holding A/S.

Value adjustments of investment properties and financial liabilities

In 2010, the Group acquired investment properties totalling DKK 334,580 thousand in connection with the acquisition of the Seaside Holding Group. In connection with the financial reporting for 2010, the investment properties have been recognised at fair value amounting to DKK 342,909 thousand at 31 December 2010. In accordance with the accounting policies, the positive fair value adjustment amounting to DKK 8,329 thousand has been recognised as a separate line item "value adjustments of investment properties and financial liabilities" in the income statement.

Upon initial recognition, financial liabilities to credit institutions regarding the financing of investment properties are measured at fair value. In accordance with the accounting policies, fair value adjustment of financial liabilities to credit institutions amounting to DKK 195 thousand has been recognised as a separate line item "value adjustments of investment properties and financial liabilities" in the income statement.

Finance costs

The Group's interest expense in 2010 of DKK 5.3 million is primarily attributable to loan financing in Blue Vision A/S, interest on payable acquisition price for Strandpromenaden 33-39 and fair value adjustment of interest rate swaps. In addition, the Group's share of interest to credit institutions in the Seaside Holding Group from the acquisition date is included.

Loss for the year

When assessing the results for 2010, amounting to DKK -1.4 million, compared to 2009 amounting to DKK -12.0 million, it should be noted that the results for 2009 were primarily attributable to the results of the Group's discontinued activities within investment in securities. The results for 2010 are satisfactory considering the expectations for the year.

Balance sheet

Non-current assets

The Group's investment properties owned by the Seaside Holding Group have been recognised at fair value at 31 December 2010 amounting to DKK 342.9 million.

Management commentary

Operating and financial review

In 2010, the property Strandpromenaden 35-39 was recognised as investment properties under construction and amounted to DKK 95.4 million.

Current assets

The project portfolio at 31 December 2010 amounting to DKK 35.0 comprises land, buildings and building projects for own account in progress in Strandpromenaden A/S. On 31 December 2009, the Group's project portfolio amounted to DKK 52.7 million. The property was only considered to be acquired at the payment of tranche 2 in 2010. Consequently, only the preliminary payment for the property was recognised at 31 December 2009.

Equity

The Group's equity amounted to DKK 53.1 million at 31 December 2010 compared to DKK 53.5 million 31 December 2009.

Non-current liabilities

At the end of 2010, the Group had a convertible loan with a carrying amount of DKK 23.9 million with Kiwi Deposit Holding A/S which was fully converted into share capital subsequent to 31 December 2010.

Other non-current liabilities at 31 December 2010 amounting to DKK 189.6 million comprise remaining loan from seller of the shares in Seaside Holding A/S, DKK 147.1 million, of which loan of nom. DKK 20.0 was converted to share capital subsequent to 31 December 2010 and loan from Freja Ejendomme A/S for the remaining acquisition price for Strandpromenaden 33-39, DKK 42.5 million.

Cash flow statement

Cash flows from operating activities for 2010 amounted to DKK -52.9 million against DKK -0.7 million in 2009.

The Group's investment activities for 2010 were financed by borrowing and acquisition of financial liabilities.

Overall, the Blue Vision Group's cash at bank and in hand decreased by DKK 3.8 million from 31 December 2009 to 31 December 2010.

The Group's financial resources at 31 December 2010 amounted to DKK 3.9 million in the form of cash. At the end of 2010, the Group had no credit facilities in the Group's banks.

Parent company

The parent company's results before tax amount to DKK -5.2 million (2009: DKK -0.8 million) which are primarily attributable to administrative expenses.

Management commentary

Operating and financial review

Results for the year amount to DKK -3.9 million (2009: DKK -11.9 million). When assessing the results for 2010 compared to 2009, it should be noted that the results for 2009 were primarily attributable to the results of the Company's discontinued activities within investment in securities.

Consolidated financial statements for the period 1 January – 31 December

Income statement

| DKK'000 | Note | 2010 | 2009 |
|--|------|--------|---------|
| Revenue | 3 | 517 | 0 |
| Operating costs | | -147 | 0 |
| Gross profit | | 370 | 0 |
| Administrative expenses | 6.7 | -5,523 | -967 |
| Operating loss | | -5,153 | -967 |
| Value adjustments of investment properties and financial liabilities | | 8,524 | 0 |
| Finance income | 4 | 13 | 43 |
| Finance costs | 5 | -5,253 | -61 |
| Loss from continuing operations before tax | | -1,869 | -985 |
| Tax on loss from continuing operations | 8 | 454 | 246 |
| Loss from continuing operations | | -1,415 | -739 |
| Loss from discontinued operations | 28 | 0 | -11,297 |
| Loss for the year | | -1,415 | -12,036 |
| Distribution of loss: | | | |
| Shareholders of Blue Vision A/S | | -1,415 | -11,990 |
| Non-controlling interests | | 0 | -46 |
| | | -1,415 | -12,036 |
| | | | |
| Earnings per share | 9 | | |
| Earnings per share (EPS basic) | | -1.10 | -9.70 |
| Diluted earnings per share (EPS-D) | | -1.10 | -9.70 |
| Earnings per share for continuing operations | | -1.10 | -0.56 |
| Diluted earnings per share for continuing operations | | -1.10 | -0.56 |

Consolidated financial statements for the period 1 January – 31 December

Statement of comprehensive income

| DKK'000 | Note | 2010 | 2009 |
|-----------------------------------|------|---------------|----------------|
| Loss for the year | | -1,415 | -12,036 |
| Other comprehensive income | | 0 | 0 |
| Total comprehensive income | | -1,415 | -12,036 |
| Distribution of loss: | | | |
| Shareholders of Blue Vision A/S | | -1,415 | -11,990 |
| Non-controlling interests | | 0 | -46 |
| | | -1,415 | -12,036 |

Consolidated financial statements for the period 1 January – 31 December

Balance sheet

| DKK'000 | Note | 2010 | 2009 |
|--|------|----------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Investment properties | 10 | 342,909 | 0 |
| Investment properties under construction | 11 | 95,433 | 0 |
| | | 438,342 | 0 |
| Other non-current assets | | | |
| Securities | 12 | 0 | 0 |
| Deferred tax assets | 15 | 17,168 | 15,125 |
| | | 17,168 | 15,125 |
| Total non-current assets | | 360,077 | 15,125 |
| Current assets | | | |
| Project portfolio | 13 | 35,000 | 52,712 |
| Receivables | 14 | 2,804 | 50 |
| Corporation tax | | 0 | 120 |
| Cash at bank and in hand | 27 | 3,947 | 7,698 |
| Total current assets | | 41,751 | 60,580 |
| Total assets | | 497,261 | 75,705 |

Consolidated financial statements for the period 1 January – 31 December

Balance sheet

| DKK'000 | Note | 2010 | 2009 |
|--|------|---------|---------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 45,000 | 130,863 |
| Conversion rights reserve | | 7,771 | 0 |
| Treasury share reserve | | -10 | 0 |
| Share premium | | 0 | 0 |
| Retained earnings | | 303 | -84,099 |
| Equity attributable to shareholders of Blue Vision A/S | | 53,064 | 46,764 |
| Non-controlling interests | | 0 | 6,704 |
| Total equity | 16 | 53,064 | 53,468 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Subordinate loan | 17 | 0 | 10,056 |
| Payables to shareholders | 18 | 23,885 | 0 |
| Credit institutions | 19 | 217,307 | 0 |
| Deferred tax | 15 | 2,367 | 0 |
| Other payables | 20 | 189,626 | 0 |
| Total non-current liabilities | | 433,185 | 10,056 |
| Current liabilities | | | |
| Deposits | 21 | 5,286 | 0 |
| Trade and other payables | 22 | 5,726 | 12,181 |
| Total current liabilities | | 11,012 | 12,181 |
| Total liabilities | | 444,197 | 22,237 |
| Total equity and liabilities | | 497,261 | 75,705 |

Consolidated financial statements for the period 1 January – 31 December

Cash flow statement

| DKK'000 | Note | 2010 | 2009 |
|--|------|----------------|----------------|
| Loss from continuing operations | | -1,415 | -739 |
| Adjustment for non-cash operating items, etc.: | | | |
| Tax on loss for the year | | -454 | -246 |
| Finance income | | -13 | -43 |
| Finance costs | | 5,253 | 61 |
| Fair value adjustment of investment properties and financial liabilities | | -8,524 | 0 |
| Cash generated from operating activities before changes in working capital | | -5,153 | -967 |
| Changes in working capital | 23 | -46,849 | 185 |
| Cash generated from operating activities | | -52,002 | -782 |
| Interest received | | 13 | 43 |
| Interest paid | | -1,109 | -5 |
| Corporation tax | | 179 | 0 |
| Cash flows from operating activities | | -52,919 | -744 |
| Cash and cash equivalents from acquisition of investment properties | 25 | 38,529 | 0 |
| Acquisition of subsidiaries | 24 | 0 | -13,841 |
| Cash flows from investing activities | | 38,529 | -13,841 |
| Acquisition of non-controlling interests | 24 | -6,750 | 0 |
| Repayment of liabilities | | 0 | -18,000 |
| Borrowing | | 17,389 | 10,056 |
| Cash flows from financing activities | | 10,639 | -7,944 |
| Cash flows from discontinued operations | | 0 | 21,229 |
| Changes in cash and cash equivalents | | -3,751 | -1,300 |
| Cash and cash equivalents at 1 January | | 7,698 | 8,998 |
| Cash and cash equivalents at 31 December | | 3,947 | 7,698 |
| Cash and cash equivalents can be specified as follows: | | | |
| Cash at bank and in hand | | 3,947 | 7,698 |
| Cash and cash equivalents at 31 December | | 3,947 | 7,698 |

Consolidated financial statements for the period 1 January – 31 December

Statement of changes in equity

| DKK'000 | Shareholders of Blue Vision A/S | | | | | | Non- control ling inte- rests | Total equity |
|--|---------------------------------|--------------------------------------|-----------------------------------|-----------------------|--------------------------------|----------------------|---|----------------------|
| | Share capital | Conver- sion rights reserve | Trea- sury share reserve | Share pre- mium | Retai- ned ear- nings | Total | | |
| Equity at 1 January 2009 | 130,863 | 0 | -8,355 | 324 | 26,090 | 148,922 | 0 | 148,922 |
| Changes in equity in 2009 | | | | | | | | |
| Comprehensive income for the year | 0 | 0 | 0 | 0 | -11,990 | -11,990 | -46 | -12,036 |
| Treasury shares paid in connection with acquisition | 0 | 0 | 8,355 | -324 | -5,530 | 2,501 | 0 | 2,501 |
| Acquisition of non-controlling interests | 0 | 0 | 0 | 0 | 0 | 0 | 6,750 | 6,750 |
| Total changes in equity in 2009 | <u>0</u> | <u>0</u> | <u>8,355</u> | <u>-324</u> | <u>-17,520</u> | <u>-9,489</u> | <u>6,704</u> | <u>-2,785</u> |
| Equity at 31 December 2009 | <u>130,863</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>-84,099</u> | <u>46,764</u> | <u>6,704</u> | <u>53,468</u> |
| Changes in equity in 2010 | | | | | | | | |
| Comprehensive income for the year | 0 | 0 | 0 | 0 | -1,415 | -1,415 | 0 | -1,415 |
| Acquisition of treasury shares | 0 | 0 | -10 | 0 | 0 | -10 | 0 | -10 |
| Reduction of share capital | -85,863 | 0 | 0 | 0 | 85,863 | 0 | 0 | 0 |
| Issue of convertible debt instruments | 0 | 7,771 | 0 | 0 | 0 | 7,771 | 0 | 7,771 |
| Acquisition of non-controlling interests | 0 | 0 | 0 | 0 | -46 | -46 | -6,704 | -6,750 |
| Total changes in equity in 2010 | <u>-85,863</u> | <u>7,771</u> | <u>-10</u> | <u>0</u> | <u>84,402</u> | <u>6,300</u> | <u>-6,704</u> | <u>-404</u> |
| Equity at 31 December 2010 | <u><u>45,000</u></u> | <u><u>7,771</u></u> | <u><u>-10</u></u> | <u><u>0</u></u> | <u><u>303</u></u> | <u><u>53,064</u></u> | <u><u>0</u></u> | <u><u>53,064</u></u> |

Consolidated financial statements for the period 1 January – 31 December

Summary of notes to the consolidated financial statements

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Consolidated financial statements for the period 1 January – 31 December

Notes

1 Accounting estimates and judgements

Estimation uncertainty

The determination of the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions relating to future events.

The estimates and assumptions made are based on historical experience and other factors that Management finds reasonable in the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Moreover, the Group is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates.

It may be necessary to change previously made estimates due to changes in the facts on which the previous estimates were based or due to new knowledge or subsequent events.

Estimates that are material to the financial reporting are made by determining fair values and calculating the value of deferred tax assets, etc.

Capital structure

With the payment of tranche 2 in 2010, the final financing of the acquisition of Strandpromenaden 33-39 was established, and subsequently, the property was acquired by cash payment of DKK 60 million and with a first mortgage roll-up loan of DKK 41.9 million provided by Freja Ejendomme.

The Blue Vision Group's activities in the Seaside Holding Group are primarily financed by long-term mortgage credit financing with hedging of the interest rate level in connection with interest rate swaps. In the future, the operation of the properties will provide positive cash flows to the Group.

The operating activities in Blue Vision A/S and the costs for further development of Strandpromenaden 33-39 in 2011 will be financed by raising loans of DKK 5 million which will subsequently be refinanced by returns on the Group's activities and establishment of new operating credits.

It is the Board of Directors' and the Executive Board's assessment that the necessary loans will be obtained from a third party and that, together with a sale of Strandpromenaden 33, this will ensure the Group's financing of operations and the commenced development project. Consequently, the Board of Directors and the Executive Board find it reasonable to base the financial reporting of the Blue Vision Group on the going concern assumption.

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Notes

1 Accounting estimates and judgements, continued

Investment properties

The Group's investment properties are measured at fair value in the balance sheet. The measurement is made based on average selling prices of comparable owner-occupied flats with an estimated deduction for expected selling costs of 1.5% or a return-based cash flow model where expected future cash outflows are discounted at present value based on a market-based required rate of return. The required rate of return is derived from information on the sale and lease of comparable properties. Changes to the applied assumptions may lead to changes in the value determined at 31 December 2010.

We refer to note 10.

Recovery of deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses to the extent that it is probable that tax profits in which the losses may be set off will be realised within a foreseeable future. The determination of the amount to be recognised for deferred tax assets is based on estimates of the probable timing and size of future tax profits.

At 31 December 2010, Management assessed that tax losses amounting to approx. DKK 70 million can be realised in the foreseeable future.

Accounting policies

As part of the application of the Group's accounting policies, Management makes judgements in addition to estimated judgements which may materially affect the amounts recognised in the consolidated financial statements and the parent company financial statements.

In 2010, Management made such judgements in connection with an assessment of which costs are recognised in the value of project portfolios and are thus not recognised as costs.

2 Segment information

Blue Vision A/S has only one segment.

| | 2010 | 2009 |
|---|------|------|
| DKK'000 | | |
| 3 Revenue | | |
| Rental income from the lease of investment properties | 517 | 0 |
| | 517 | 0 |
| | 517 | 0 |
| 4 Finance income | | |
| Interest income, other | 13 | 43 |
| | 13 | 43 |
| | 13 | 43 |

Consolidated financial statements for the period 1 January – 31 December

Notes

DKK'000

| | 2010 | 2009 |
|--|-------|------|
| 5 Finance costs | | |
| Interest expense and amortisation, subordinate loan | 1,214 | 56 |
| Interest expense and amortisation, debt instruments | 322 | 0 |
| Interest expense, credit institutions | 176 | 0 |
| Interest expense, other | 1,561 | 5 |
| Fair value adjustment, interest rate swaps | 1,980 | 0 |
| | 5,253 | 61 |
| 6 Staff costs | | |
| Wages and salaries | 1,329 | 547 |
| Pensions | 3 | 12 |
| Other social security costs | 14 | 44 |
| | 1,346 | 603 |
| Executive Board | 869 | 221 |
| Board of Directors | 463 | 338 |
| | 1,332 | 559 |
| Total remuneration for the individual members of the Board of Directors amounts to: | | |
| Jørgen Glistrup, chairman | 211 | 94 |
| Thomas Hénin Falk-Rønne | 84 | 9 |
| Frederik Westenholz | 84 | 9 |
| Martin Blædel | 84 | 38 |
| Flemming Jensen | 0 | 63 |
| Michael Vilhelm Nielsen | 0 | 63 |
| Niels Mazanti | 0 | 62 |
| | 463 | 338 |
| Staff costs are recognised as follows: | | |
| Administrative expenses | 1,346 | 214 |
| Staff costs relating to discontinued operations | 0 | 389 |
| | 1,346 | 603 |
| Average number of employees | 1 | 0.25 |

Consolidated financial statements for the period 1 January – 31 December

Notes

DKK'000

| | 2010 | 2009 |
|---|-------|--------|
| 7 Fees to auditors appointed at the annual general meeting | | |
| Statutory audit, KPMG | 182 | 172 |
| Other assurance engagements, KPMG | 8 | 0 |
| Tax and VAT assistance, KPMG | 10 | 0 |
| Tax and VAT assistance, Deloitte | 0 | 70 |
| Non-audit services, Kresten Kofoed | 0 | 80 |
| | 200 | 322 |
| | | |
| 8 Taxation | | |
| Deferred tax (continuing operations) | -454 | -246 |
| Tax relating to discontinued operations | 0 | -1,466 |
| | -454 | -1,712 |
| | | |
| Tax on loss for the year from continuing operations relates to: | | |
| 25% tax on loss for the year before tax | -467 | -246 |
| Non-deductible costs | 13 | 0 |
| | -454 | -246 |
| | | |
| Effective tax rate | 24.2% | 25.0% |

Consolidated financial statements for the period 1 January – 31 December

Notes

DKK'000

| | 2010 | 2009 |
|--|------|------|
|--|------|------|

9 Earnings per share

| | | |
|--|--------|---------|
| Loss for the year | -1,415 | -12,036 |
| Non-controlling interests' share of consolidated results | 0 | -46 |

| | | |
|---|--------|---------|
| The Blue Vision Group's share of loss for the year | -1,415 | -11,990 |
|---|--------|---------|

| | | |
|--------------------------|-----------|-----------|
| Average number of shares | 1,285,101 | 1,308,625 |
|--------------------------|-----------|-----------|

| | | |
|-----------------------------------|---|--------|
| Average number of treasury shares | 3 | 73,105 |
|-----------------------------------|---|--------|

| | | |
|---|-----------|-----------|
| Average number of shares outstanding | 1,285,098 | 1,235,520 |
|---|-----------|-----------|

| | | |
|---|-------|-------|
| Earnings per share (EPS basic) of DKK 1,000 | -1.10 | -9.70 |
|---|-------|-------|

| | | |
|---|-------|-------|
| Diluted earnings per share (EPS diluted) of DKK 1,000 | -1.10 | -9.70 |
|---|-------|-------|

The calculation for 2010 of earnings per share for continuing and discontinued operations, respectively, is based on corresponding key figures as for earnings per share:

| | 2010 | 2009 |
|--|------|------|
|--|------|------|

Blue Vision A/S' shareholders' share of:

| | | |
|---------------------------------|--------|------|
| Loss from continuing operations | -1,415 | -693 |
|---------------------------------|--------|------|

| | | |
|-----------------------------------|---|---------|
| Loss from discontinued operations | 0 | -11,297 |
|-----------------------------------|---|---------|

| | | |
|--|--------|---------|
| | -1,415 | -11,990 |
|--|--------|---------|

10 Investment properties

| | | |
|-------------------------|---|---|
| Fair value at 1 January | 0 | 0 |
|-------------------------|---|---|

| | | |
|------------------------|---------|---|
| Additions for the year | 334,580 | 0 |
|------------------------|---------|---|

| | | |
|------------------------------------|-------|---|
| Fair value adjustment for the year | 8,329 | 0 |
|------------------------------------|-------|---|

| | | |
|----------------------------------|---------|---|
| Fair value at 31 December | 342,909 | 0 |
|----------------------------------|---------|---|

The investment properties comprise rental properties in Denmark. The properties were acquired at 20 December 2010.

The properties are measured based on average selling prices of comparable owner-occupied flats with an estimated deduction for expected selling costs of 1.5% or a return-based cash flow model over a 1 year period and a required rate of return of 5%.

Rental income from the Group's investment properties recognised in revenue amounts to DKK 431 thousand (2009: DKK 0).

Operating costs relating to the Group's investment properties recognised in operating costs amount to DKK 147 thousand (2009: DKK 0).

Consolidated financial statements for the period 1 January – 31 December

Notes

| DKK'000 | 2010 | 2009 |
|--|--------|------|
| 11 Investment properties under construction | | |
| Cost at 1 January | 0 | 0 |
| Transferred from project portfolio | 95,433 | 0 |
| Cost at 31 December | 95,433 | 0 |
| Value adjustments at 1 January | 0 | 0 |
| Value adjustment for the year | 0 | 0 |
| Value adjustments at 31 December | 0 | 0 |
| Carrying amount at 31 December | 95,433 | 0 |

Transferred investment properties under construction relate to land and project costs for constructing a number of high-quality tenemental properties for lease.

| DKK'000 | 2010 | 2009 |
|--------------------------------------|------|---------|
| 12 Securities | | |
| Cost at 1 January | 0 | 61,231 |
| Additions for the year | 0 | 0 |
| Disposals for the year | 0 | -61,231 |
| Cost at 31 December | 0 | 0 |
| Fair value adjustment at 1 January | 0 | -26,047 |
| Fair value adjustment for the year | 0 | 26,047 |
| Fair value adjustment at 31 December | 0 | 0 |
| Carrying amount at 31 December | 0 | 0 |

13 Project portfolio

At 31 December 2010, the project portfolio amounting to DKK 35,000 thousand comprises land and buildings.

| DKK'000 | 2010 | 2009 |
|-----------------------|-------|------|
| 14 Receivables | | |
| VAT receivable | 978 | 0 |
| Other receivables | 1,826 | 50 |
| | 2,804 | 50 |

Consolidated financial statements for the period 1 January – 31 December

Notes

| DKK'000 | 2010 | 2009 |
|---|---------------|---------------|
| 15 Deferred tax | | |
| Deferred tax asset at 1 January | 15,125 | 13,413 |
| Reimbursed tax from joint taxation | -58 | 0 |
| Deferred tax asset for the year recognised in loss for the year | 454 | 1,712 |
| Addition on acquisition of net assets | -720 | 0 |
| Deferred tax asset at 31 December | 14,801 | 15,125 |

Deferred tax is recognised in the balance sheet as follows:

| | | |
|---|---------------|---------------|
| Deferred tax (asset) | 17,168 | 15,125 |
| Deferred tax (liability) | -2,367 | 0 |
| Deferred tax at 31 December, net | 14,801 | 15,125 |

Deferred tax relates to:

| | | |
|-------------------------------|---------------|---------------|
| Property, plant and equipment | -2,802 | 0 |
| Current assets | -320 | -320 |
| Liabilities | 495 | 0 |
| Tax loss carryforwards | 17,428 | 15,445 |
| | 14,801 | 15,125 |

Changes in temporary differences during the year

| DKK'000 | 2010 | | | | Balance sheet at 31 December |
|-------------------------------|----------------------------|---------------------------------------|--------------------------------------|--|------------------------------|
| | Balance sheet at 1 January | Addition on acquisition of net assets | Recognised in loss for the year, net | Reimbursed joint taxation contribution | |
| Property, plant and equipment | 0 | -720 | -2,082 | 0 | -2,802 |
| Project portfolio | -320 | 0 | 0 | 0 | -320 |
| Liabilities | 0 | 0 | 495 | 0 | 495 |
| Tax losses | 15,445 | 0 | 2,041 | -58 | 17,428 |
| | 15,125 | -720 | 454 | -58 | 14,801 |

Consolidated financial statements for the period 1 January – 31 December

Notes

15 Deferred tax, continued

| | 2009 | | | | |
|-------------------|-------------------------------------|---|--|--|--|
| | Balance sheet at 1 January | Addi- tions on acqui- sition of subsi- diary | Recog- nised in loss for the year, net | Reim- bursed joint taxa- tion contri- bution | Balance sheet at 31 Decem- ber |
| DKK'000 | | | | | |
| Project portfolio | 0 | -176 | -144 | 0 | -320 |
| Tax losses | 13,413 | 176 | 1,856 | 0 | 15,445 |
| | 13,413 | 0 | 1,712 | 0 | 15,125 |

16 Equity

The share capital consists of 450,000 shares of DKK 100. In accordance with the decision made at the extraordinary general meeting on 14 December 2010, the share capital has been reduced by 858,625 shares of DKK 100 from 1,308,625 shares of DKK 100.

At the extraordinary general meeting on 14 December 2010 in Blue Vision A/S, it was decided to reduce the Company's share capital from DKK 130,862,500 to DKK 45,000,000. The reduction was used to cover losses from previous years.

The registration of the capital reduction was made in VP Securities in the beginning of January 2011.

Consolidated financial statements for the period 1 January – 31 December

Notes

16 Equity, continued

Treasury shares

| | Number of shares | | Nominal value (DKK'000) | | % of share capital | |
|--|------------------|----------|----------------------------|----------|--------------------|-------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| 1 January | 0 | 130,863 | 0 | 13,086 | 0.00 | 0.10 |
| Used in connection with acquisition of enterprise | 0 | -130,863 | 0 | -13,086 | 0.00 | -0.10 |
| Acquisition of treasury shares in connection with reduction of share capital (share split) | 103 | 0 | 10 | 0 | 0.02 | 0.00 |
| 31 December | <u>103</u> | <u>0</u> | <u>10</u> | <u>0</u> | <u>0.02</u> | <u>0.00</u> |

All treasury shares are owned by Blue Vision A/S.

17 Subordinate loan

In February 2010, the Group's subordinate loan from Kiwi Deposit Holding A/S, which was an interest-only loan until maturity and carried interest at CIBOR 3 months with an additional 3.5% per year, was increased by DKK 17.4 million. According to an agreement concluded on 20 December 2010, the loan plus added interest was made convertible, see note 18.

18 Payables to shareholders

In order to strengthen the equity basis in connection with the acquisition of the subsidiary Seaside Holding A/S, Blue Vision A/S has accepted an offer from Kiwi Deposit Holding A/S to repay the subordinate loan amounting to DKK 28,539 thousand at 31 December 2010, including added interest (2009: DKK 10,056 thousand) by issuing a convertible debt instrument granting Kiwi Deposit Holding A/S the right to convert the debt instrument at DKK 159.94 per share of DKK 100. The debt instrument carries interest at CIBOR 3 months with an additional 3.5% per year and is interest-only until maturity on 20 December 2014.

The carrying amount at 31 December 2010 amounted to DKK 23,885 thousand. Nominal value at 31 December 2010 amounted to DKK 28,539 thousand.

Consolidated financial statements for the period 1 January – 31 December

Notes

| DKK'000 | 2010 | 2009 |
|---|---------|------|
| 19 Payables to credit institutions | | |
| Mortgage debt | 217,307 | 0 |
| Carrying amount | 217,307 | 0 |

Payables to credit institutions are recognised in the balance sheet as follows:

| | | |
|-------------------------|---------|---|
| Non-current liabilities | 217,307 | 0 |
| Current liabilities | 0 | 0 |
| Carrying amount | 217,307 | 0 |
| Nominal value | 220,144 | 0 |

The mortgage debt is floating-rate debt. At 31 December 2010, interest amounts to 1.48%.

The Group has entered into interest rate swaps in order to hedge interest rate risks, see note 27.

| DKK'000 | 2010 | 2009 |
|--------------------------|---------|------|
| 20 Other payables | | |
| ALMC hf. | 147,077 | 0 |
| Freja Ejendomme A/S | 42,549 | 0 |
| | 189,626 | 0 |

The Blue Vision Group financed the acquisition of the subsidiary Seaside Holding A/S by issuing four individual debt instruments corresponding to the full acquisition price of DKK 149,753 thousand, of which two of the debt instruments, totalling DKK 35,000, thousand were issued as convertible debt instruments. The two debt instruments grant ALMC hf. the right to convert the debt instruments at DKK 159.94 per share of DKK 100. Three of the debt instruments with a total principal of DKK 123.0 million carry interest of 7.25% per year and are interest-only for the period until maturity on 20 December 2014. The last debt instrument with a principal of DKK 26.0 million carries interest at 3.75% per year and is interest-only for the period until maturity on 20 December 2014.

On 30 June 2010, the Blue Vision Group and Freja Ejendomme A/S entered into an agreement on the final acquisition price of the property Strandpromenaden 33-39 totalling DKK 101,920 thousand. The residual acquisition price, totalling DKK 41,920 thousand, carries interest of 3% per year from the acquisition date on 15 December 2010 to the maturity date on 1 July 2012. The residual acquisition price, including added interest up until the maturity date, amounts to DKK 42,549 thousand and is secured by a first mortgage secured and registered to the seller on the property, see note 26 to the consolidated financial statements.

The nominal value of other payables at 31 December 2010 amounted to DKK 192,604 thousand.

Consolidated financial statements for the period 1 January – 31 December

Notes

| | DKK'000 | 2010 | 2009 |
|-----------|---|---------|--------|
| 21 | Deposits | | |
| | Deposits, tenants | 5,286 | 0 |
| 22 | Trade and other payables | | |
| | Loan | 0 | 9,965 |
| | Trade payables | 3,043 | 1,667 |
| | Other payables | 2,488 | 549 |
| | | 5,531 | 12,181 |
| 23 | Cash flow statement – changes in working capital | | |
| | Change in investment properties under construction | -95,433 | 0 |
| | Change in project portfolio | 17,712 | -3,301 |
| | Change in other current assets | -857 | 0 |
| | Change in liabilities, etc. | 31,729 | 3,486 |
| | | -46,849 | 185 |

24 Acquisition of subsidiaries and activities

In 2009, the Blue Vision Group acquired 70% of the shares in Strandpromenaden A/S who had entered into a contingent purchase agreement to acquire the land Strandpromenaden 33-39 in Copenhagen.

The total acquisition price can be specified as follows:

| | Fair value at the date of acqui- sition | Carrying amount before acqui- sition |
|---|---|--|
| DKK'000 | | |
| Project portfolio | 49,412 | 26,820 |
| Receivables | 3 | 3 |
| Trade payables | -43 | -43 |
| Liabilities | -26,280 | -26,280 |
| Acquired net assets | 23,092 | 500 |
| Minority share 30% | -6,750 | |
| Paid by transfer of treasury shares | -2,501 | |
| Cost of acquisition paid in cash | 13,841 | |

In 2010, the Blue Vision Group acquired the remaining 30% of the shares in Strandpromenaden A/S. The acquisition price amounted to DKK 6,750 thousand cash.

Consolidated financial statements for the period 1 January – 31 December

Notes

25 Acquisition of investment properties

On 20 December 2010, the Blue Vision Group acquired all the shares in the property investment company Seaside Holding A/S. It is Management's assessment that the acquisition of the property investment company does not meet the criteria of a company under IFRS 3. Consequently, the acquisition of Seaside Holding A/S has been treated as an acquisition of net assets at cost for accounting purposes.

The total acquisition price of the net assets amounted to DKK 149.8 million and was settled by the seller granting a total loan of DKK 149.8 million distributed on four debt instruments, see note 20.

The total acquisition price can be specified as follows:

| | |
|---|----------------|
| DKK'000 | |
| Investment properties | 334,580 |
| Receivables | 1,929 |
| Cash and cash equivalents | 38,529 |
| Deferred tax | -720 |
| Payables to mortgage credit institutions | -217,502 |
| Liabilities | -7,063 |
| Acquired net assets | 149,753 |
| Cash in Seaside Holding | -38,529 |
| Financed by the issue of debt instruments | -149,753 |
| Cost of acquisition paid in cash | -38,529 |

Consolidated financial statements for the period 1 January – 31 December

Notes

26 Contingent assets, liabilities and collateral

Contingent assets

At 31 December 2010, the Blue Vision Group had no contingent assets.

Contingent liabilities

At 31 December 2010, the Blue Vision Group had no contingent liabilities.

Collateral

The following assets have been provided as collateral for mortgages:

| DKK'000 | 2010 | 2009 |
|---|---------|------|
| Investment properties with a carrying amount of | 342,909 | 0 |
| Collateralised payables to credit institutions | 217,307 | 0 |

The Blue Vision Group has provided first mortgage collateral in the shares in Seaside Holding A/S and Strandpromenaden A/S to ALMC hf.

The Blue Vision Group has provided a first mortgage registered to the seller to Freja Ejendomme A/S on the total property Strandpromenaden 33-39 for the remaining part of the acquisition price plus added interest. The debt including added interest amounted to DKK 42,549 thousand at 31 December 2010.

27 Financial risks and financial instruments

Due to its operations, investments and financing, the Blue Visions Group is exposed to a number of financial risks, including market risks (interest rate risks), credit risks and liquidity risks.

It is the Group's policy not to engage in active speculation in financial risks. Thus, the Group's financial management is aimed at managing and reducing the financial risks directly attributable to the Group's operations, investments and financing.

Market risks

Interest rate risks

The Group's mortgage debt is hedged by means of interest rate swaps, which were entered into at the end of December 2010. The fair value at 31 December 2010 amounted to DKK - 1,980 thousand. The principal of the open interest rate swaps amounts to DKK 176,000. The term is 2 to 8 years, and the effective interest rate amounts to 2.20-3.48%.

The Group's convertible loan to Kiwi Deposit Holding A/S is a floating-rate loan. This loan was converted into share capital in Blue Vision A/S in March 2011.

The Group's other non-current liabilities are fixed-rate liabilities.

Consolidated financial statements for the period 1 January – 31 December

Notes

27 Financial risks and financial instruments, continued

The Group's bank deposits are placed in current accounts.

Credit risks

Due to the Group's operations and certain financing activities, the Group is exposed to credit risks. The Group's credit risks are attributable to cash at bank and in hand and receivables, including derivative financial instruments with a positive fair value.

The maximum credit risk corresponds to the values recognised in the balance sheet.

All receivables are assessed, and write-down for bad and doubtful debts is made to the extent necessary. The Group has no significant risks relating to a single debtor, and at 31 December 2010, no write-down for bad and doubtful debts had been made.

Liquidity risks

The Group's liquidity reserve consists of cash at bank and in hand, which amounted to DKK 3,947 thousand at 31 December 2010, of which DKK 3,218 thousand in the Seaside Holding Group cannot be used for the benefit of other group companies, see loan agreement with credit institution.

The Group's liabilities fall due as follows:

| DKK'000 | 2010 | | | | |
|---|--------------------|---------------------------|------------------|----------------|------------------|
| | Carrying amount | Contractual cash flows | Within 1 year | 1-5 years | After 5 years |
| <i>Non-derivative financial instruments</i> | | | | | |
| Payables to shareholders | 23,885 | 34,411 | 0 | 34,411 | 0 |
| Payables to credit institutions | 217,307 | 260,549 | 5,052 | 20,197 | 235,300 |
| Other non-current liabilities | 189,626 | 238,027 | 1,004 | 237,023 | 0 |
| Trade and other payables | 3,551 | 3,551 | 3,551 | 0 | 0 |
| <i>Derivative financial instruments</i> | | | | | |
| Interest rate swaps | 1,980 | 14,500 | 2,525 | 8,578 | 3,397 |
| 31 December 2010 | 436,349 | 551,038 | 12,132 | 300,209 | 238,697 |

Payables to shareholders at 31 December 2010, DKK 23,885 thousand, and other liabilities at 31 December 2010, DKK 20,000 thousand, were converted into share capital in March 2011.

Consolidated financial statements for the period 1 January – 31 December

Notes

27 Financial risks and financial instruments, continued

| DKK'000 | 2009 | | | | |
|---|--------------------|---------------------------|------------------|---------------|------------------|
| | Carrying amount | Contractual cash flows | Within 1 year | 1-5 years | After 5 years |
| <i>Non-derivative financial instruments</i> | | | | | |
| Subordinate loan capital | 10,056 | 12,828 | 0 | 12,828 | 0 |
| Loan | 9,965 | 10,046 | 10,046 | 0 | 0 |
| Trade and other payables | 2,216 | 2,216 | 2,216 | 0 | 0 |
| 31 December 2009 | 22,237 | 25,090 | 12,262 | 12,828 | 0 |

The maturity analysis is based on all undiscounted cash flows, including estimated interest payments. Interest payments are estimated based on current market conditions.

Financial instrument categories

| DKK'000 | 2010 | | 2009 | |
|--|--------------------|----------------|--------------------|---------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Receivables | 1,826 | 1,826 | 50 | 50 |
| Cash at bank and in hand | 3,947 | 3,947 | 7,698 | 7,698 |
| Loans and receivables | 5,773 | 5,773 | 7,748 | 7,748 |
| Payables to credit institutions | 217,307 | 217,307 | 0 | 0 |
| Derivative financial instruments included in the trading portfolio | 1,980 | 1,980 | 0 | 0 |
| Financial liabilities measured at fair value through profit or loss | 219,287 | 219,287 | 0 | 0 |
| Subordinate loan | 0 | 0 | 10,056 | 10,056 |
| Payables to shareholders | 23,885 | 29,925 | 0 | 0 |
| Loan | 0 | 0 | 9,965 | 9,965 |
| Other non-current liabilities | 189,626 | 210,698 | 0 | 0 |
| Deposits | 5,286 | 5,286 | 0 | 0 |
| Trade and other payables | 3,043 | 3,043 | 1,667 | 1,667 |
| Financial liabilities measured at amortised cost | 221,840 | 248,952 | 21,688 | 21,688 |

Consolidated financial statements for the period 1 January – 31 December

Notes

27 Financial risks and financial instruments, continued

Methods and assumptions for determining fair values

Derivative financial instruments (interest rate swaps) are measured in accordance with generally accepted valuation methods based on relevant observable swap curves.

The fair value of payables to credit institutions is measured based on the fair value of the underlying bonds.

The fair value of fixed-rate loans measured at amortised cost in the balance sheet is calculated based on discount models where all estimated and regular cash flows are discounted using zero-coupon yield curves.

The fair value of deposits is assessed to approximate the carrying amount.

Receivables and trade payables, etc., with a short credit period are assessed to have a fair value corresponding to the carrying amount.

Fair value hierarchy for financial instruments that are measured at fair value in the balance sheet

| | 2010 | | | Total |
|--|-------------------------------|------------------------------------|---|---------|
| | Quoted prices (Level 1) | Observ- able input (Level 2) | Unobser- vable input (Level 3) | |
| DKK'000 | | | | |
| Financial liabilities | | | | |
| Payables to credit institutions | 217,307 | 0 | 0 | 217,307 |
| Derivative financial instruments included in the trading portfolio | 0 | 1,980 | 0 | 1,980 |
| Total financial liabilities | 217,307 | 1,980 | 0 | 219,287 |

At 31 December 2009, the Group had no financial instruments measured at fair value in the balance sheet.

Consolidated financial statements for the period 1 January – 31 December

Notes

28 Discontinued operations

| DKK'000 | 2010 | 2009 |
|--|------|----------|
| Interest income | | |
| Interest income | 0 | 2,077 |
| Interest expense | 0 | -1,423 |
| Interest income, net | 0 | 654 |
| Dividends | 0 | 134 |
| Value adjustments | | |
| Capital gains | 0 | 0 |
| Capital losses | 0 | -12,249 |
| Value adjustments, net | 0 | -12,249 |
| Fees and commission costs paid | 0 | -384 |
| Staff costs and administrative expenses | 0 | -388 |
| Other ordinary costs | 0 | -530 |
| Loss before tax | 0 | -12,763 |
| Tax on loss | 0 | 1,466 |
| Loss from discontinued operations | 0 | -11,297 |
| | | |
| Cash flows from operating activities | 0 | -9,209 |
| Cash flows from investing activities | 0 | 235,021 |
| Cash flows from financing activities | 0 | -204,583 |
| Total cash flows | 0 | 21,229 |
| | | |
| Earnings from discontinued operations per share (EPS), DKK | 0 | -9.14 |
| | | |
| Diluted earnings from discontinued operations per share (EPS), DKK | 0 | -9.14 |

Consolidated financial statements for the period 1 January – 31 December

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29 Related party disclosures

Blue Vision A/S has no related parties exercising control.

Blue Vision A/S has registered the following shareholders holding minimum 5% of the share capital:

- Kiwi Deposit Holding A/S, Niels Hemmingsens Gade 32 A, 1153 Copenhagen (35.76%)
- Intrinsic Property Holding A/S, Strandvejen 124 A, 2900 Hellerup (27.51%)
- Blue Estate Holding A/S, Strandvejen 656, 2930 Klampenborg (16.35%)
- Stranden Holding A/S, Strandvejen 656, 2930 Klampenborg (5.50%)
- Norling Kierkegaard Invest ApS, Skærsommervej 4, 1., 2930 Klampenborg (5.50%)

Related parties that the Group has had transactions with

Kiwi Deposit Holding A/S

Intrinsic Property Holdings A/S

Thomas Hénin Falk-Rønne, member of the Board of Directors of Blue Vision

Teddy Brandt Kierkegaard, member of the Board of Directors of Strandpromenaden A/S

Frantz Sigersted Rasmussen, chairman of the Board of Directors of Strandpromenaden A/S

The Group's related party transactions

In 2010, the Group had transactions with the project development company Falk-Rønne & Kierkegaard Ejendomsudvikling A/S owned by Thomas Hénin Falk-Rønne and Teddy Brandt Kierkegaard. The transactions, which amounted to DKK 617 thousand (2009: DKK 1,161 thousand), were made at the same terms as for the Company's other trading partners.

As chairman of the Board of Directors of Strandpromenaden A/S, attorney Frantz Sigersted Rasmussen has significant influence in this company. Frantz Sigersted Rasmussen's law firm provided assistance to the Group on a regular basis in 2010 and advised the Group in connection with the acquisition of the shares in Seaside Holding A/S. Total fees for 2010 amounted to DKK 2,400 thousand (2009: DKK 308 thousand).

At 31 December 2010, the Blue Vision Group had a convertible loan from Kiwi Deposit Holding A/S, see note 18.

At the beginning of 2010, the Group had a short-term loan from Intrinsic Property Holdings A/S. The loan was repaid in February 2010.

Consolidated financial statements for the period 1 January – 31 December

Notes

30 Board of Directors and Executive Board

The parent company's members of the Board of Directors and Executive Board hold the following shareholdings in Blue Vision A/S and hold the following managerial posts in other Danish commercial enterprises, except for subsidiaries:

| | <u>Shareholding (nom. DKK'000)</u> | <u>Managerial posts in other Danish commercial enterprises</u> |
|---|--|--|
| Board of Directors | | |
| Jørgen Glistrup, chairman (aged 53) Appointed on 4 November 2009 | 900 | Grønttorvet København Holding s.m.b.a. (chairman of the Board of Directors) Creatrix A/S (chairman of the Board of Directors) ZOO Food & Shop A/S (chairman of the Board of Directors) Conecto A/S (chairman of the Board of Directors) A.S. Scan Holding A/S (member of the Board of Directors) Land & Leisure A/S (member of the Board of Directors) Valcon Business Development A/S (member of the Board of Directors) Valcon Management Consultant (member of the Board of Directors) Forenede Service A/S (member of the Board of Directors) Dansk Konsum Gruppen A/S (member of the Board of Directors) Hotel Fredensborg ApS (member of the Board of Directors) V. Lindenbergs Eft. ApS (member of the Board of Directors) absi A/S (member of the Board of Directors) Glistrup.dk ApS (Executive Board) |
| Thomas Hénin Falk-Rønne (aged 32) Appointed on 18 December 2009 | 9,834 | Th. Falk-Rønne A/S (Executive Board & member of the Board of Directors) TFR 4 ApS (Executive Board) |

Consolidated financial statements for the period 1 January – 31 December

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| | | |
|--|--------|---|
| Frederik Westenholz (aged 39) Appointed on 18 December 2009 | 12,379 | Balchik Eagle Rock A/S (member of the Board of Directors) Intrinsic Property Holding A/S (member of the Board of Directors & Executive Board) |
| Martin Blædel (aged 36) Appointed on 4 November 2009 | 344 | Double Loop ApS (Executive Board) Kiwi Deposit Holdings A/S (member of the Board of Directors) |

Executive Board

| | | |
|--|---|--|
| Vilhelm Boas, director (aged 54) Employed in April 2009 | 0 | EJBO Holding A/S (chairman of the Board of Directors) |
|--|---|--|

The Board of Directors of Blue Vision A/S is composed with a view to obtain special competences in investment in, development and financing as well as sale of real property.

Consolidated financial statements for the period 1 January – 31 December

Notes

30 Board of Directors and Executive Board, continued

In addition, it is important that the members of the Board of Directors possess general managerial experience and financial know-how, e.g. from previous managerial posts in a company listed or previously listed on Nasdaq OMX.

Thus, the members of the Board of Directors all have competences in more or all of the areas significant to the composition of the Board of Directors.

In general, members of the Board of Directors are elected at the annual general meeting for one year at a time. The Board of Directors elects a chairman from among its members. No vice chairman is elected.

31 Events after the balance sheet date

On 22 February 2011, Kiwi Deposit Holding A/S and ALMC hf. informed the Board of Directors of Blue Vision A/S that they wished to convert the convertible debt instruments of originally DKK 28.4 million and DKK 20.0 million, respectively. For the purpose of exercising the option to convert added interest on the two loans, the Company issued additional convertible debt instruments for added interest up until 14 March 2011 of DKK 537.5 thousand and DKK 339.0 thousand, respectively, to the two lenders by exercising the authority granted to the Board of Directors in accordance with the Company's articles of association. On 14 March 2011, the two lenders announced that they also wished to convert these convertible debt instruments into shares in Blue Vision A/S. According to the agreement, the conversion price was determined at 159.94 per share of nom. DKK 100.

On 14 March 2011, the Board of Directors of Blue Vision A/S decided to raise the Company's share capital by nom. DKK 30,783,500, distributed on 307,835 shares of DKK 100 for the use of the conversion of the above-mentioned convertible debt instruments. Subsequently, the share capital amounts to DKK 75,783,500, and as a consequence of the conversion, the Group's equity increased by DKK 42.8 million.

In connection with the conversion, ALMC hf. became a shareholder in Blue Vision A/S with a shareholding corresponding to 16.8% of the share capital and the voting rights.

Subsequent to the conversion of the mentioned loans on 14 March 2011, the Group has a convertible loan from ALMC hf. of originally DKK 15 million plus accrual of interest. Two convertible debt instruments of DKK 15 million and DKK 4.9 million, respectively, have been issued to cover interest during the term of the loan up until 20 December 2014.

Apart from this, no significant events have occurred after 31 December 2010.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies

Blue Vision A/S is a public limited company domiciled in Denmark. The annual report for the period 1 January – 31 December 2010 comprises both the consolidated financial statements of Blue Vision A/S and its subsidiaries (the Group) and the separate parent company financial statements.

The annual report of Blue Vision A/S for 2010 is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In addition, the annual report has been prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the IASB.

On 31 March 2011, the Executive Board and the Board of Directors have discussed and approved the annual report of Blue Vision A/S for 2010. The annual report will be presented to the shareholders of Blue Vision A/S for approval at the annual general meeting on 29 April 2011.

Basis of preparation

The annual report has been presented in Danish kroner, rounded to the nearest thousand.

The annual report has been prepared on the historical cost basis except for the following assets and liabilities which are measured at fair value: investment properties and payables to credit institutions regarding investment properties as well as derivative financial instruments.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying amount before the changed classification and fair value less costs to sell.

The accounting policies set out below have been used consistently in respect of the financial year and to comparative figures.

Changes in accounting policies

Effective from 1 January 2010, Blue Vision A/S implemented:

- IFRS 3 (revised in 2008) Business Combinations
- Amendments to IAS 27 (revised in 2008) Consolidated and Separate Financial Statements
- More amendments to IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and measurement as well as IFRIC 9 Reassessment of Embedded Derivatives
- More amendments to IFRS 1
- Parts of Improvements to IFRSs May 2008 effective from 1 July 2009
- Improvements to IFRSs April 2009

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

For the Blue Vision Group, IFRS 3 (2008) and IAS 27 (2007) apply to transactions carried out on or after 1 January 2010. The standards comprise a number of new provisions. The most significant provisions are:

- Acquisition-related costs and changes to contingent purchase considerations are recognised directly in profit or loss.
- Step acquisitions result in a remeasurement at fair value of any previously held equity interests in profit or loss.
- Gain/loss on disposals of equity interests resulting in a loss of control is recognised in profit or loss. At the same time, any retained equity interests in the former subsidiary are remeasured at fair value with value adjustment in profit or loss.
- Acquisition/disposal of equity interests in a subsidiary not resulting in a loss of control is recognised directly in equity.

The new standards and interpretations did not affect recognition and measurement in 2010.

Description of accounting policies

Consolidated financial statements

The consolidated financial statements comprise the parent company Blue Vision A/S and subsidiaries in which Blue Vision A/S has control, i.e. the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is obtained when the Company directly or indirectly holds more than 50% of the voting rights in the subsidiary or which it, in some other way, controls.

Enterprises over which the Group exercises significant influence, but which it does not control, are considered associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50%.

When assessing whether Blue Vision A/S exercises control or significant influence, potential voting rights which are exercisable at the end of the reporting period are taken into account.

A group chart is included on page 13.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the subsidiaries' financial statements prepared in accordance with the Group accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated.

The accounting items of subsidiaries are included in full in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements until the date of disposal. The comparative figures are not restated for acquisitions.

For acquisitions of new businesses over which Blue Vision A/S obtains control, the purchase method is used. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

The acquisition date is the date when Blue Vision A/S effectively obtains control of the acquired business.

Any excess of the consideration transferred, the value of non-controlling equity interests in the acquired enterprise and the fair value of any previously held equity interests over the fair value of the identifiable assets, liabilities and contingent liabilities acquired (goodwill) is recognised as goodwill under intangible assets. Goodwill is not amortised but is tested annually for impairment. The first impairment test is performed within the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the Blue Vision Group's financial statements are treated as assets and liabilities belonging to the foreign entity and upon initial recognition translated into the foreign entity's functional currency at the exchange rate at the transaction date. Negative differences (negative goodwill) are recognised in profit or loss at the acquisition date.

The consideration transferred by a business consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed conditions, this part of the consideration is recognised at fair value at the date of acquisition. Costs attributable to business combinations are recognised directly in profit or loss when incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If subsequently it becomes apparent that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement is adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures are restated. Subsequently, goodwill is not adjusted. Changes to estimates of contingent considerations are generally recognised directly in profit or loss.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Gains or losses on disposal of subsidiaries are stated as the difference between the sales amount and the carrying amount of net assets including goodwill at the date of disposal less cost of disposal.

Non-controlling interests

On initial recognition, non-controlling interests are measured at fair value or at the proportionate share of the fair value of the acquired business' identifiable assets, liabilities and contingent liabilities. In the first scenario, goodwill in relation to the non-controlling interests' ownership share in the acquired enterprise is thus recognised, while, in the latter scenario, goodwill in relation to non-controlling interests is not recognised. Measurement of non-controlling interests is chosen transaction by transaction and stated in the notes in connection with the description of acquired enterprises.

Foreign currency translation

During the year, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the transaction date and at the date of payment are recognised in profit or loss as finance income or finance costs.

Shares, bonds and other investment assets, receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the balance sheet date. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as finance income or finance costs.

Derivative financial instruments

Derivative financial instruments are recognised at the date a derivative contract is entered into and measured in the statement of financial position at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively, and set-off of positive and negative values is only made when the Group has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Fair value hedge

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the statement of comprehensive income together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned.

The portion of the derivative financial instrument that is not included in a hedge is presented under finance income and finance costs.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Other derivative financial instruments

For derivative financial instruments that do not qualify for hedge accounting or are not classified as such, changes in fair value are recognised in profit or loss as finance income or finance costs.

Conversion rights

Certain debt instruments contain characteristics of derivative financial instruments. Embedded derivative financial instruments meeting the criteria hereof are recognised separately and measured at fair value on initial recognition. Such separated embedded derivative financial instruments are classified as equity.

Income statement

Revenue

Revenue from the sale of project properties is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received.

Rental income comprises the lease of investment property under operating leases. Rental income is accrued and recognised as income on a straight-line basis over the lease term in accordance with the concluded agreement.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Operating costs

Operating costs comprise costs incurred in generating the revenue for the year, including costs for acquisition, development and construction of project properties.

Moreover, operating costs relating to investment properties are recognised.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment losses. Also included in this item are write-downs for bad debt losses.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the enterprises, including gains and losses on ongoing disposal and replacement of property, plant and equipment. Gains and losses on disposal of non-current assets are determined as the sales price less selling costs and the carrying amount at the selling date.

Finance income and costs

Finance income and costs comprise interest income and expense, gains and losses on securities and impairment of securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the tax prepayment scheme. Furthermore, changes in the fair value of derivative financial instruments which are not designated as hedging instruments are included.

Borrowing costs relating to general borrowing or loans directly relating to acquisition, construction or development of qualifying assets are allocated to the cost of such assets.

Tax on loss for the year

The Company is covered by the Danish rules on joint taxation of the Blue Vision Group's subsidiaries.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Balance sheet

Investment properties

Properties are classified as investment properties when they are held for the purpose of obtaining rental income and/or capital gains. On initial recognition, investment properties are measured at cost, comprising purchase price and costs directly attributable to the acquisition. Subsequently, investment properties are measured at fair value. Changes in the fair value are recognised in profit or loss as value adjustment of investment properties under "value adjustments of investment properties and financial liabilities" in the financial year in which the change arises. Value adjustments are included in retained earnings in equity.

Fair value is determined either at average selling prices of comparable owner-occupied flats or by means of a return-based cash flow model where future cash flows are discounted at present value with a given required rate of return. The required rate of return is determined property by property based on disclosed required rates of return of comparable properties in the same geographical area.

Realised gains and losses on disposal of investment properties are determined as the difference between the carrying amount and the selling price and are also recognised separately under the item "value adjustment of investment properties and financial liabilities".

Projects

The project portfolio comprises land, buildings and building projects for own account in progress.

Land is measured at acquisition price plus costs adding value to the land. Building projects are measured at cost plus project and construction costs incurred, including finance costs and staff costs up until the completion of the building project. If the expected net realisable value is estimated to be lower than the carrying amount, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount and the present value of the expected cash flows, including the realisable value of any received collateral. The effective interest rate used at the time of initial recognition is used as the discount rate for the individual receivable or portfolio.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Recognition as income of interest on written-down receivables is calculated based on the written-down value using the effective interest rate for the individual receivable.

Cash at bank and in hand

Cash at bank and in hand comprises the Company's bank deposits.

Equity

Dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

Interim dividends are recognised as a liability at the date when the decision to pay interim dividends is made.

Conversion rights reserve

The conversion rights reserve comprises the value of granted conversion rights embedded in certain liabilities which are recognised separately and are measured at fair value on initial recognition and is classified as equity.

Treasury share reserve

The treasury share reserve comprises cost of acquisition for the Company's portfolio of treasury shares. Dividends received from treasury shares are recognised directly in retained earnings in equity.

Gains and losses from the sale of treasury shares are recognised in share premium.

Share premium

Share premium comprises amounts in addition to the nominal share capital that have been paid by the shareholders in connection with capital increases and gains from the disposal of treasury shares. The reserve is part of the Company's free reserves.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial liabilities

Payables to shareholders and other non-current liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

On initial recognition, financial liabilities to credit institutions regarding the financing of investment properties are measured at the consideration received. Upon initial recognition, financial liabilities to credit institutions regarding the financing of investment properties are measured at fair value and recognised in the income statements, corresponding to the measurement of investment properties.

This method has been applied in order to ensure recognition consistency between assets and liabilities as, in Management's opinion, certain financial correlations between some of the most significant factors determining the fair value of an investment property and the fair value of the related financial liabilities may exist.

Other financial liabilities are measured at net realisable value.

Presentation of discontinued operations

The profit/loss after tax of discontinued operations is presented as a separate line item in the income statement with comparative figures. Income, costs, value adjustments and tax of discontinued operations are disclosed in the notes.

Net cash flows from operating, investing and financing activities of the discontinued operations are disclosed in a note.

Consolidated financial statements for the period 1 January – 31 December

Notes

32 Accounting policies, continued

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of businesses are recognised up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the profit/loss before tax adjusted for non-cash operating items, changes in working capital, interest, payments, dividends and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses and of intangible assets, property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not classified as cash and cash equivalents.

Cash flows from financing activities comprise changes in the share capital and related costs as well as borrowing, repayment of interest-bearing debt, acquisition and disposal of treasury shares and payment of dividends to shareholders.

Cash and cash equivalents only comprises cash at bank and in hand.

Cash flows in other currencies than the functional currency are translated using average exchange rates unless these deviate significantly from the rate at the transaction date.

Financial ratios

Earnings per share (EPS Basic) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Other financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2010".

Financial ratio definitions are included on page 81.

Consolidated financial statements for the period 1 January – 31 December

Notes

33 New financial reporting regulation

The IASB has issued the following new international financial reporting standards (IAS and IFRS) and interpretations (IFRIC) which are not compulsory for Blue Vision A/S in the preparation of the annual report for 2010: IFRS 9, amendment to IFRIC 14, IFRIC 19, revised IAS 24, amendments to IFRS 1, amendment to IAS 32 and improvements to IFRS (May 2010). Only amendment to IAS 32 has been adopted by the EU.

The standards and interpretations that are adopted with a different effective date in the EU than the corresponding effective dates from the IASB will be early adopted so that the adoption follows the IASB's effective dates for financial years beginning on or after 1 January 2011. The new standards and interpretations are not expected to significantly affect the financial reporting of Blue Vision A/S.

Financial statements for the period 1 January – 31 December

Income statement

| DKK'000 | Note | 2010 | 2009 |
|---|------|--------|---------|
| Administrative expenses | 4.5 | -4,754 | -868 |
| Operating loss | | -4,754 | -868 |
| Finance income | 2 | 1,100 | 144 |
| Finance costs | 3 | -1,539 | -56 |
| Loss from continuing operations before tax | | -5,193 | -780 |
| Tax on loss from continuing operations | 6 | 1,285 | 195 |
| Loss from continuing operations | | -3,908 | -585 |
| Loss from discontinued operations | 21 | 0 | -11,297 |
| Loss for the year | | -3,908 | -11,882 |

Proposed distribution of loss

| | | | |
|--------------------------|--|--------|---------|
| Proposed dividends | | 0 | 0 |
| Retained earnings | | -3,908 | -11,882 |
| Loss for the year | | -3,908 | -11,882 |

Statement of comprehensive income

| | | | |
|-----------------------------------|--|--------|---------|
| Loss for the year | | -3,908 | -11,882 |
| Other comprehensive income | | 0 | 0 |
| Total comprehensive income | | -3,908 | -11,882 |

Financial statements for the period 1 January – 31 December

Balance sheet

| DKK'000 | Note | 2010 | 2009 |
|---------------------------------|------|----------------|---------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 7 | 172,844 | 16,341 |
| Securities | 8 | 0 | 0 |
| Deferred tax assets | 11 | 16,300 | 15,074 |
| Total non-current assets | | 189,144 | 31,415 |
| Current assets | | | |
| Receivables | 9 | 75 | 49 |
| Receivable from subsidiaries | 10 | 33,878 | 18,590 |
| Corporation tax | | 0 | 120 |
| Cash at bank and in hand | | 729 | 7,698 |
| Total current assets | | 34,682 | 26,457 |
| Total assets | | 223,826 | 57,872 |

| DKK'000 | Note | 2010 | 2009 |
|--------------------------------------|------|----------------|---------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 45,000 | 130,863 |
| Conversion rights reserve | | 7,771 | 0 |
| Treasury share reserve | | -10 | 0 |
| Share premium | | 0 | 0 |
| Retained earnings | | -2,036 | -83,991 |
| Total equity | 12 | 50,725 | 46,872 |
| Non-current liabilities | | | |
| Subordinate loan | 13 | 0 | 10,056 |
| Payables to shareholders | 14 | 23,885 | 0 |
| Other payables | 15 | 147,077 | 0 |
| Total non-current liabilities | | 170,962 | 10,056 |
| Current liabilities | | | |
| Trade and other payables | 16 | 2,139 | 944 |
| Total current liabilities | | 2,139 | 944 |
| Total liabilities | | 183,101 | 11,000 |
| Total equity and liabilities | | 223,826 | 57,872 |

Financial statements for the period 1 January – 31 December

Cash flow statement

| DKK'000 | Note | 2010 | 2009 |
|---|------|----------------|----------------|
| Loss from continuing operations | | -3,908 | -585 |
| Adjustment for non-cash operating items, etc. | | | |
| Tax on loss for the year | | -1,285 | -195 |
| Finance income | | -1,100 | -144 |
| Finance costs | | 1,539 | 56 |
| Cash generated from operating activities before changes in working capital | | -4,754 | -868 |
| Changes in working capital | 17 | -13,041 | -17,919 |
| Cash generated from operating activities | | -17,795 | -18,787 |
| Interest received | | 12 | 43 |
| Interest paid | | -4 | 0 |
| Reimbursed tax | | 179 | 0 |
| Cash flows from operating activities | | -17,608 | -18,744 |
| Cash flows from investing activities | | 0 | 0 |
| Acquisition of non-controlling interests | 18 | -6,750 | -13,841 |
| Borrowing | | 17,389 | 10,056 |
| Cash flows from financing activities | | 17,389 | 10,056 |
| Cash flows from discontinued operations | | 0 | 21,229 |
| Changes in cash and cash equivalents | | -6,969 | -1,300 |
| Cash and cash equivalents at beginning of year | | 7,698 | 8,998 |
| Cash and cash equivalents at 31 December | | 729 | 7,698 |
| Cash and cash equivalents can be specified as follows: | | | |
| Cash at bank and in hand | | 729 | 7,698 |
| Cash and cash equivalents at 31 December | | 729 | 7,698 |

Financial statements for the period 1 January – 31 December

Statement of changes in equity

| DKK'000 | Share capital | Conversi on rights reserve | Treasury share reserve | Share premium | Retained earnings | Total equity |
|---|------------------|----------------------------------|------------------------------|------------------|----------------------|-----------------|
| Equity at 1 January 2009 | 130,863 | 0 | -8,355 | 324 | -66,579 | 56,253 |
| Changes in equity in 2009 | | | | | | |
| Comprehensive income for the year | 0 | 0 | 0 | 0 | -11,882 | -11,882 |
| Treasury shares paid in connection with acquisition | 0 | 0 | 8,355 | -324 | -5,530 | 2,501 |
| Total changes in equity in 2009 | 0 | 0 | 8,355 | -324 | -17,412 | -9,381 |
| Equity at 31 December 2009 | 130,863 | 0 | 0 | 0 | -83,991 | 46,872 |
| Changes in equity in 2010 | | | | | | |
| Comprehensive income for the year | 0 | 0 | 0 | 0 | -3,908 | -3,908 |
| Acquisition of treasury shares | 0 | 0 | -10 | 0 | 0 | -10 |
| Issue of convertible debt instruments | 0 | 7,771 | 0 | 0 | 0 | 7,771 |
| Reduction of share capital | -85,863 | 0 | 0 | 0 | 85,863 | 0 |
| Total changes in equity in 2010 | -85,863 | 7,771 | -10 | 0 | 81,955 | 3,853 |
| Equity at 31 December 2010 | 45,000 | 7,771 | -10 | 0 | -2,036 | 50,725 |

Financial statements for the period 1 January – 31 December

Summary of notes to the parent company financial statements

| Note | | Note | |
|-------------|--|-------------|--|
| 1 | Accounting estimates and judgements | 14 | Payables to shareholders |
| 2 | Finance income | 15 | Other payables |
| 3 | Finance costs | 16 | Trade and other payables |
| 4 | Staff costs | 17 | Cash flow statement – changes in working capital |
| 5 | Fees to auditors appointed at the annual general meeting | 18 | Acquisition of non-controlling interests |
| 6 | Taxation | 19 | Contingent assets, liabilities and collateral |
| 7 | Investments in subsidiaries | 20 | Financial risks and financial instruments |
| 8 | Securities | 21 | Discontinued operations |
| 9 | Other receivables | 22 | Related party disclosures |
| 10 | Receivable from subsidiaries | 23 | Events after the balance sheet date |
| 11 | Deferred tax asset | 24 | Accounting policies |
| 12 | Equity | 25 | New financial reporting regulation |
| 13 | Subordinate loan | | |

Financial statements for the period 1 January – 31 December

Notes

1 Accounting estimates and judgements

We refer to note 1 to the consolidated financial statements; however, we estimate the value of shares in subsidiaries rather than project portfolios and investment properties.

| DKK'000 | 2010 | 2009 |
|---|-------|------|
| 2 Finance income | | |
| Interest income, group enterprise | 1,088 | 101 |
| Interest income, other | 12 | 43 |
| | 1,100 | 144 |
| 3 Finance costs | | |
| Interest expense and amortisation, subordinate loan | 1,214 | 56 |
| Interest expense and amortisation, debt instruments | 322 | 0 |
| Interest expense, other | 3 | 0 |
| | 1,539 | 56 |
| 4 Staff costs | | |
| Wages and salaries | 1,329 | 547 |
| Pensions | 3 | 12 |
| Other social security costs | 14 | 44 |
| | 1,346 | 603 |
| Executive Board | 869 | 221 |
| Board of Directors | 463 | 338 |
| | 1,332 | 559 |
| Staff costs are recognised as follows: | | |
| Administrative expenses | 1,346 | 214 |
| Staff costs relating to discontinued operations | 0 | 389 |
| | 1,346 | 603 |
| Average number of employees | 1 | 0.25 |

Moreover, we refer to note 6 to the consolidated financial statements.

Financial statements for the period 1 January – 31 December

Notes

| DKK'000 | 2010 | 2009 |
|---|---------|--------|
| 5 Fees to auditors appointed at the annual general meeting | | |
| Statutory audit, KPMG | 142 | 132 |
| Other assurance engagements, KPMG | 8 | 0 |
| Tax and VAT assistance, Deloitte | 0 | 70 |
| Non-audit services, Kresten Kofoed | 0 | 80 |
| | 150 | 282 |
| 6 Taxation | | |
| Deferred tax (continuing operations) | -1,285 | -195 |
| Tax relating to discontinued operations | 0 | -1,466 |
| | -1,285 | -1.661 |
| Tax on loss for the year from continuing operations relates to: | | |
| 25% tax on loss for the year before tax | -1,298 | -195 |
| Non-deductible costs | 13 | 0 |
| | -1,285 | -195 |
| Effective tax rate | 24.7% | 25.0% |
| 7 Investments in subsidiaries | | |
| Cost at 1 January | 16,341 | 0 |
| Additions for the year | 156,503 | 16,341 |
| Cost at 31 December | 172,844 | 16.341 |
| Carrying amount at 31 December | 172,844 | 16.341 |

The cost of the acquired subsidiaries consists of cost of acquisition paid in cash of DKK 6,750 thousand for the remaining 30% of Strandpromenaden A/S as well as cost of acquisition for Seaside Holding A/S of DKK 149,753 thousand, see note 25 to the consolidated financial statements.

| Name | Registered office | Ownership share 2010 | Ownership share 2009 |
|----------------------|----------------------|-------------------------|-------------------------|
| Strandpromenaden A/S | Copenhagen | 100% | 70% |
| Seaside Holding A/S | Copenhagen | 100% | 0% |

Moreover, we refer to the group chart on page 13.

Financial statements for the period 1 January – 31 December

Notes

| DKK'000 | 2010 | 2009 |
|--------------------------------------|------|---------|
| 8 Securities | | |
| Cost at 1 January | 0 | 61,231 |
| Additions for the year | 0 | 0 |
| Disposals for the year | 0 | -61,231 |
| Cost at 31 December | 0 | 0 |
| Fair value adjustment at 1 January | 0 | -26,047 |
| Fair value adjustment for the year | 0 | 26,047 |
| Fair value adjustment at 31 December | 0 | 0 |
| Carrying amount at 31 December | 0 | 0 |
| 9 Receivables | | |
| Other receivables | 75 | 49 |
| | 75 | 49 |

10 Receivable from subsidiary

The receivable concerns the current balance with Strandpromenaden A/S. The balance carries interest of 5% per year.

| DKK'000 | 2010 | 2009 |
|---|---------|---------|
| 11 Deferred tax asset | | |
| Deferred tax asset at 1 January | -15,074 | -13,413 |
| Contribution from prior years' joint taxation | 59 | 0 |
| Deferred tax for the year recognised in loss for the year | -1,285 | -1,661 |
| Deferred tax asset at 31 December | -16,300 | -15,074 |

Deferred tax asset at 31 December 2010 and 31 December 2009, respectively, concerns tax loss carryforwards.

12 Equity

The composition of the share capital and treasury shares is disclosed in note 16 to the consolidated financial statements.

Financial statements for the period 1 January – 31 December

Notes

13 Subordinate loan

In February 2010, the Group's subordinate loan from Kiwi Deposit Holding A/S, which was an interest-only loan until maturity and carried interest at CIBOR 3 months with an additional 3.5% per year, was increased by DKK 17.4 million. According to an agreement concluded on 20 December 2010, the loan plus added interest was made convertible, see note 14.

14 Payables to shareholders

In order to strengthen the equity basis in connection with the acquisition of the subsidiary Seaside Holding A/S, Blue Vision A/S has accepted an offer from Kiwi Deposit Holding A/S to repay the subordinate loan amounting to DKK 28,539 thousand at 31 December 2010, including added interest (2009: DKK 10,056 thousand) by issuing a convertible debt instrument granting Kiwi Deposit Holding A/S the right to convert the debt instrument at DKK 159.94 per share of DKK 100. The debt instrument carries interest at CIBOR 3 months with an additional 3.5% per year and is interest-only until maturity on 20 December 2014.

The carrying amount at 31 December 2010 amounted to DKK 23,885 thousand. Nominal value at 31 December 2010 amounted to DKK 28,539 thousand.

15 Other payables

Blue Vision A/S financed the acquisition of the subsidiary Seaside Holding A/S by issuing four individual debt instruments corresponding to the full acquisition price of DKK 149,753 thousand, of which two of the debt instruments, totalling DKK 35,000, thousand were issued as convertible debt instruments. The two debt instruments grant ALMC hf. the right to convert the debt instruments at 159.94 per share of DKK 100.

Three of the debt instruments with a total principal of DKK 123.0 million carry interest at 7.25% per year and are interest-only for the period until maturity on 20 December 2014. The last debt instrument with a principal of DKK 26.0 million carries interest at 3.75% per year and is interest-only for the period until maturity on 20 December 2014.

The nominal value of other payables at 31 December 2010 amounted to DKK 150,055 thousand.

| DKK'000 | 2010 | 2009 |
|------------------------------------|-------|------|
| 16 Trade and other payables | | |
| Trade payables | 1,758 | 667 |
| Other payables | 381 | 277 |
| | 2,139 | 944 |

Financial statements for the period 1 January – 31 December

Notes

| DKK'000 | 2010 | 2009 |
|--|---------|---------|
| 17 Cash flow statement – changes in working capital | | |
| Change in receivables | -14,226 | -18,545 |
| Change in liabilities | 1,185 | 626 |
| | -13.041 | -17.919 |

18 Acquisition of non-controlling interests

We refer to note 7 to the parent company financial statements.

19 Contingent assets, liabilities and collateral

Contingent assets

At 31 December 2010, Blue Vision A/S had no contingent assets.

Contingent liabilities

At 31 December 2010, Blue Vision A/S had no contingent liabilities.

Collateral

Blue Vision A/S has provided first mortgage collateral in the shares in Seaside Holding A/S and Strandpromenaden A/S to ALMC hf.

Blue Vision A/S has provided a first mortgage registered to the seller to Freja Ejendomme A/S on the total property Strandpromenaden 33-39 for the remaining part of the acquisition price plus added interest. The mortgage debt including added interest amounted to DKK 42,549 thousand at 31 December 2010.

20 Financial risks and financial instruments

Market risks

Interest rate risks

The Company's convertible loan to Kiwi Deposit Holding A/S is a floating-rate loan. This loan was converted into shares in Blue Vision A/S in March 2011.

The Company's other non-current liabilities are fixed-rate liabilities.

The Company's bank deposits are placed in current accounts.

Financial statements for the period 1 January – 31 December

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20 Financial risks and financial instruments, continued

Credit risks

Due to the Company's operations, the Company is exposed to credit risks. The Company's credit risks are attributable to cash at bank and in hand and receivables.

The maximum credit risk corresponds to the values recognised in the balance sheet.

All receivables are assessed, and write-down for bad and doubtful debts is made to the extent necessary. The Group has no significant risks relating to a single debtor, and at 31 December 2010, no write-down for bad and doubtful debts had been made.

Liquidity risks

The Company's liquidity reserve consists of cash at bank and in hand.

The Company's liabilities fall due as follows:

| DKK'000 | 2010 | | | | |
|---|-----------------|------------------------|---------------|----------------|---------------|
| | Carrying amount | Contractual cash flows | Within 1 year | 1-5 years | After 5 years |
| <i>Non-derivative financial instruments</i> | | | | | |
| Payables to shareholders | 23,885 | 34,411 | 0 | 34,411 | 0 |
| Other non-current liabilities | 147,077 | 193,544 | 1,004 | 192,540 | 0 |
| Trade and other payables | 1,758 | 1,758 | 1,758 | 0 | 0 |
| 31 December 2010 | 172,720 | 229,713 | 2,762 | 226,951 | 0 |

Payables to shareholders at 31 December 2010, DKK 28,625 thousand, and other liabilities at 31 December 2010, DKK 20,000 thousand, were converted into share capital in March 2011.

| DKK'000 | 2009 | | | | |
|---|-----------------|------------------------|---------------|---------------|---------------|
| | Carrying amount | Contractual cash flows | Within 1 year | 1-5 years | After 5 years |
| <i>Non-derivative financial instruments</i> | | | | | |
| Subordinate loan capital | 10,056 | 12,828 | 0 | 12,828 | 0 |
| Trade and other payables | 667 | 667 | 667 | 0 | 0 |
| 31 December 2009 | 10,723 | 13,495 | 667 | 12,828 | 0 |

Financial statements for the period 1 January – 31 December

Notes

20 Financial risks and financial instruments, continued

The maturity analysis is based on all undiscounted cash flows, including estimated interest payments. Interest payments are estimated based on current market conditions.

Financial instrument categories

| DKK'000 | 2010 | | 2009 | |
|---|-----------------|----------------|-----------------|---------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Receivables | 33,953 | 33,953 | 18,639 | 18,639 |
| Cash at bank and in hand | 3,947 | 3,947 | 7,698 | 7,698 |
| Loans and receivables | 37,900 | 37,900 | 26,337 | 26,337 |
| Subordinate loan | 0 | 0 | 10,056 | 10,056 |
| Payables to shareholders | 23,885 | 29,925 | 0 | 0 |
| Loan | 0 | 0 | 9,965 | 9,965 |
| Other non-current liabilities | 147,077 | 168,507 | 0 | 0 |
| Trade and other payables | 1,758 | 1,758 | 667 | 667 |
| Financial liabilities measured at amortised cost | 172,720 | 200,190 | 20,688 | 20,688 |

Methods and assumptions for determining fair values

The fair value of fixed-rate loans measured at amortised cost in the balance sheet is calculated based on discount models where all estimated and regular cash flows are discounted using zero-coupon yield curves.

Receivables and trade payables with a short credit period are assessed to have a fair value corresponding to the carrying amount.

Fair value hierarchy for financial instruments that are measured at fair value in the balance sheet

At 31 December 2010 and 31 December 2009, the Company had no financial instruments measured at fair value in the balance sheet.

21 Discontinued operations

We refer to note 28 to the consolidated financial statements.

Financial statements for the period 1 January – 31 December

Notes

22 Related party disclosures

In addition to the disclosures in note 29 to the consolidated financial statements, the parent company's related parties comprise subsidiaries, see note 7 to the parent company's annual report.

The parent company has granted a loan to Strandpromenaden A/S, see note 10 to the parent company financial statements.

Remuneration to the Executive Board and the Board of Directors is disclosed in note 4 to the parent company financial statements.

Apart from this, no other transactions have been carried out with the Board of Directors, the Executive Board, important shareholders or other related parties during the year.

23 Events after the balance sheet date

We refer to note 31 to the consolidated financial statements.

24 Accounting policies

The separate parent company financial statements are included in the annual report as under the Danish Financial Statements Act companies presenting financial statements in accordance with IFRS must prepare separate parent company financial statements.

The parent company financial statements are prepared in accordance with IFRS as adopted by the EU and Danish disclosure requirements for listed companies.

Changes in accounting policies

We refer to the disclosures in note 32 to the consolidated financial statements.

Description of accounting policies

According to the described accounting policies applied for the consolidated financial statements (see note 32 to the consolidated financial statements), the parent company's accounting policies only deviate in the following areas:

Finance income and finance costs

Dividend from shares in subsidiaries is recognised in the parent company's income statement in the financial year when the dividend is declared. If the dividend distributed exceeds the total income for the period in subsidiaries in the period when the dividend is declared, an impairment test is made.

Shares in subsidiaries

Shares in subsidiaries are measured at cost in the parent company financial statements. If any such indication of impairment exists, an impairment test is made. If the carrying amount exceeds the recoverable amount, a write-down is made to this lower value.

Financial statements for the period 1 January – 31 December

Notes

24 Accounting policies, continued

Tax on loss for the year

Blue Vision A/S is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries.

Blue Vision A/S is the administrative company under the joint taxation and accordingly pays all corporation taxes to the tax authorities.

Joint taxation contribution to/from subsidiaries is recognised under tax on loss for the year.

Tax payable and receivable is recognised as current assets/liabilities. Joint taxation contribution payable and receivable is recognised in the balance sheet as receivables from or payables to group enterprises.

25 New financial reporting regulation

We refer to note 33 to the consolidated financial statements. None of the standards or interpretations mentioned are expected to affect the parent company financial statements.

Financial statements for the period 1 January – 31 December

Financial ratios

The financial ratios stated in the annual report have been calculated as follows:

| | |
|--|---|
| Solvency ratio | $\frac{\text{Equity ex. non-controlling int., year end} \times 100}{\text{Total equity and liabilities, year end}}$ |
| Profit/loss* | Profit attributable to the shareholders of the parent company |
| Return on equity | $\frac{\text{Profit/loss}^* \times 100}{\text{Average equity ex. non-controlling interests}}$ |
| Earnings per share (EPS basic) | $\frac{\text{Profit/loss}^*}{\text{Average number of shares outstanding}}$ |
| Diluted earnings per share (EPS-D) | $\frac{\text{Diluted earnings}^*}{\text{Diluted average number of shares outstanding}}$ |
| Cash flow per share (CFPS) | $\frac{\text{Cash flows from operating activities}}{\text{Diluted average number of shares outstanding}}$ |
| Book value per share (BVPS) | $\frac{\text{Equity ex. non-controlling int.}}{\text{Number of shares at year end}}$ |
| Dividend per share | $\frac{\text{Dividend yield} \times \text{nominal value of share}}{100}$ |
| Percentage of profit paid out in dividends | Parent company percentage of profit * paid out in dividends |
| Payout ratio | $\frac{\text{Dividend}}{\text{Profit/loss}^*}$ |
| Current price earnings (P/E) | $\frac{\text{Share price}}{\text{EPS}}$ |
| Price/cash flow (PCF) | $\frac{\text{Share price}}{\text{CFPS}}$ |