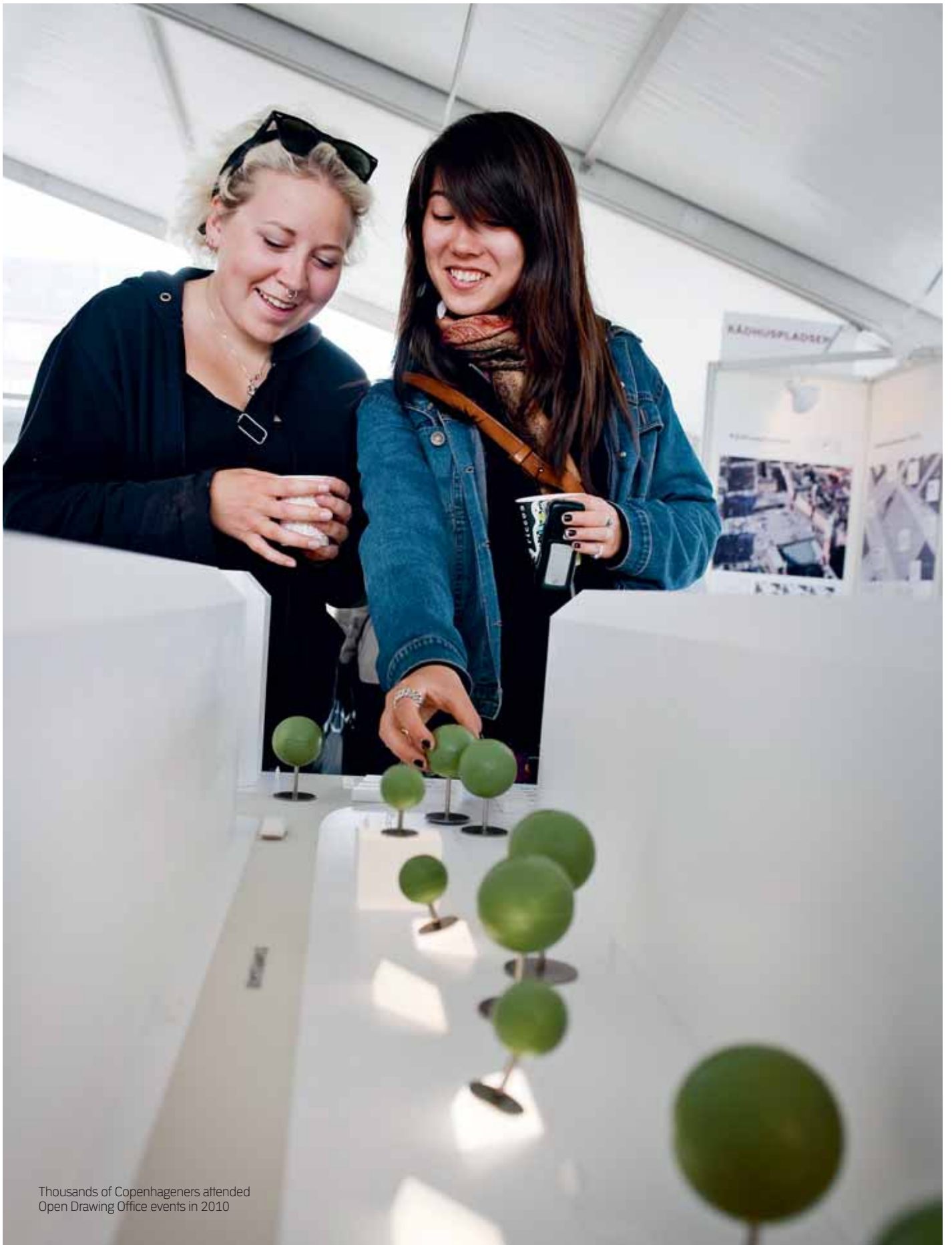


M2 Vanløse

Annual Report 2010

Metroselskabet I/S





Thousands of Copenhageners attended Open Drawing Office events in 2010

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RÉSUMÉ AND OUTLINE FOR 2010

THE METRO IS GROWING

In 2010, the Metro was used by 52 million passengers. This is just over 2 million more passengers than in 2009, equivalent to growth of 5.3 per cent. The growth in the number of passengers thereby exceeded expectations.

In March, the Metro was nominated “Best Metro” and “Best Driverless Metro” at the metro industry’s annual world congress, which took place in London. Metroselskabet won the awards due to its high operational stability, 24-hour operation, and high passenger satisfaction - and for the plans to expand the existing system with the addition of Cityringen (the city circle line).

In 2010 the Metro ran on time for 98.2 per cent of all departures. Punctuality was thereby higher than expected, despite very severe winter conditions in both January/February and November/December.

READY TO CONSTRUCT CITYRINGEN

In 2010 Metroselskabet also concluded the work on the major invitations to tender for the construction and delivery of trains and operation systems, respectively, which also includes the operation of Cityringen. The winners of the contracts were announced in November, and in December the recommendation concerning the basis for the conclusion of the contracts was approved by Metroselskabet’s owners. The contracts were signed on 7 January 2011.

A large number of new construction sites opened in 2010, so that the works in preparation for the major engineering works, and the extensive archaeological excavations, could get underway.

At Enghave Plads in Vesterbro the country’s largest sewerage pipes were moved. At Nørrebro station, large tubes were pressed under the existing

suburban (S-train) rail tracks. At both locations, areas must be cleared to provide sites for the new Metro stations. At a total of 21 construction sites utility grids have been re-aligned to make way for the construction of the capital’s coming new Metro system, called Cityringen (the city circle line).

FUTURE-ORIENTED ORGANISATION

With the conclusion of the invitation to tender and the contract negotiations, and on the brink of the start of the civil engineering works for Cityringen, in 2010 Metroselskabet undertook major organisational adjustments in preparation for the engineering works that are to commence in 2011.

Many new employees have joined the company, so that Metroselskabet has had special focus on a sound induction process, including communication of the unique experience and expertise that Metroselskabet has built up over many years spent on the establishment and operation of rail-borne public transport.

I wish you pleasant reading.

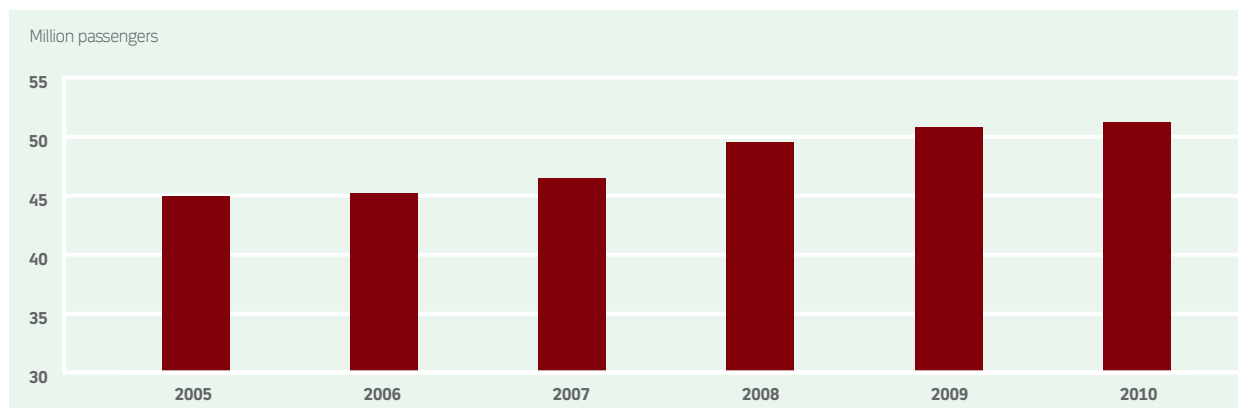
Henning Christophersen
Chairman of the Board of Directors

Henrik Plougmann Olsen
Managing Director

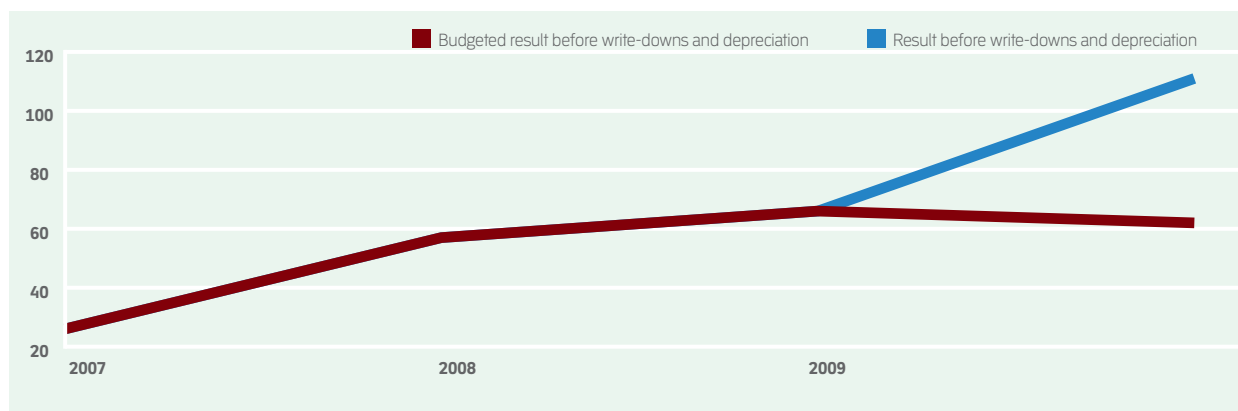


FINANCIAL HIGHLIGHTS

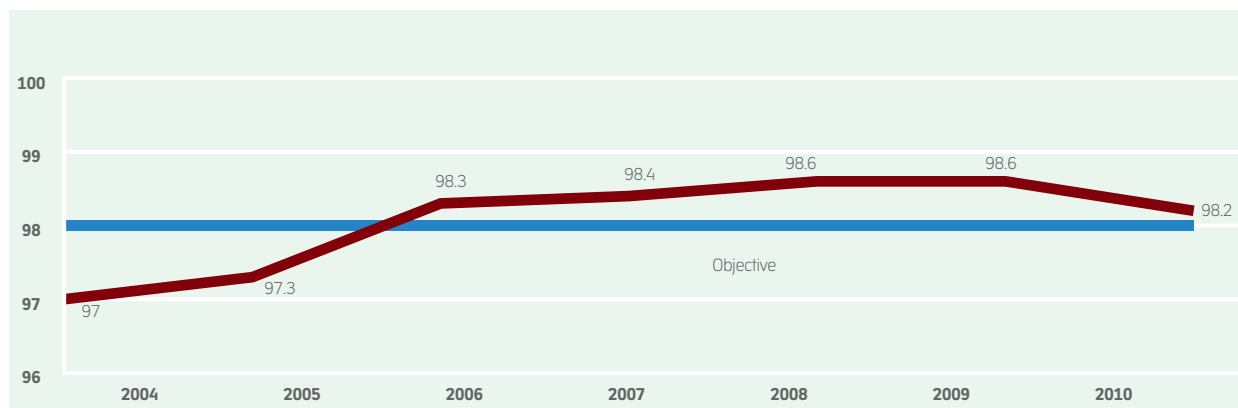
Passenger numbers 2005 – 2010



Result before write-downs and depreciation in DKK million



Operational stability



FINANCES

RESULT AND CHANGE IN EQUITY FOR THE YEAR

The profit before depreciation and financial items for 2010 amounted to DKK 111 million, which is an improvement by DKK 45 million compared to 2009.

The higher profit is related to increasing passenger revenue and the savings achieved on the conclusion of the new contract on the operation of the Metro. The Company assesses the result to be very satisfactory.

Depreciation and write-downs amounted to DKK 787 million. The result before financial items is hereafter a loss of DKK 676 million.

Financial items comprise interest revenues of DKK 98 million and interest expenses of DKK 53 million. The

result after financial items is a loss of DKK 632 million, which is DKK 245 million higher than in 2009. The loss is due to the write-down recognised in the accounts of the Company's investment in Cityringen, as well as write-offs on the existing Metro.

Finally, market value adjustment entails recognised revenue of DKK 358 million.

In 2010 the Board of Directors, the partnership owners and Danmarks Nationalbank approved the interest-rate hedging of the equivalent of up to two thirds of the Company's maximum expected debt.

The loss for the year of DKK 274 million has been deducted from equity, which hereafter amounts to DKK 9.1 billion. At the beginning of 2011 con-

tracts for the construction of Cityringen were concluded. The conclusion of contracts entails that equity will be reduced significantly in 2011, for the reason that the Company undertakes a financial obligation on signing the contracts.

No other events of significance to the Annual Report for 2010 have occurred after the closing of accounts.

OPERATING RESULT FOR THE METRO

The result for operation of the Metro (before depreciation) amounted to DKK 111 million, which is an increase by DKK 45 million compared to 2009.

Income from the Metro totalled DKK 793 million, of which DKK 589 million from the joint fare system, and DKK 204 million primarily from leasing out the Metro and from commercial revenue.

Financial Highlights

DKK million	2010	2009	2008	2007	Opening balance
Net turnover for the year	864	722	670	480	-
Result before write-downs and depreciation	111	66	57	26	-
Depreciation and write-downs	-787	-596	-575	-230	-
Result before financial items	-676	-530	-518	-204	-
Financial items	45	113	242	53	-
Result before market value adjustment	-632	-387	-290	-147	-
Market value adjustment	358	-30	13	-4	-
Result for the year	-274	-417	-277	-151	-
Balance sheet total	9,442	9,691	9,950	10,323	12,797
Investment in the Metro for the year	637	448	442	235	-
Equity	9,139	9,413	9,830	10,100	10,251
Equity ratio	97%	97%	99%	98%	80%

Expenditure covering running costs for the Metro, contract management, administration, etc. this year came to DKK 682 million.

Depreciation amounted to DKK 193 million, which corresponds to the level for 2009. The overall result was therefore a loss of DKK 83 million,

which was an improvement by DKK 43 million from 2009.

CONSTRUCTION OF CITYRINGEN

The total construction budget for Cityringen of DKK 21.3 billion is based on the tenders received by the Company in response to the invitations to

tender for the major civil engineering contracts for the transport system and the engineering works.

Investments totalling DKK 594 million were made in Cityringen in 2010, bringing the total investment in Cityringen to date to DKK 1,454 million.

The net book value of Cityringen has been recognised in the balance sheet at DKK 0, as Cityringen is written down on an ongoing basis to the expected recoverable value of the system, taking due account of the planned construction investments.

Operating result for the Metro

	2010	2009
Fare payments	589	522
Metro operating revenue	190	135
Other operating income	14	12
Total income	793	669
Payment for operations	-589	-522
Contract management, etc.	-30	-26
Other expenses	-34	-30
Administration costs	-29	-26
Total expenses	-682	-604
Result before depreciation	111	66
Depreciation	-193	-192
Total result	-83	-126
Net profit ratio before depreciation	14 %	10%

Note: Fare payments are based on average passenger revenue per new passenger of DKK 11.22 in 2010, calculated on the basis of the Ministry of Transport's Order on the distribution of ticket revenue in Greater Copenhagen.

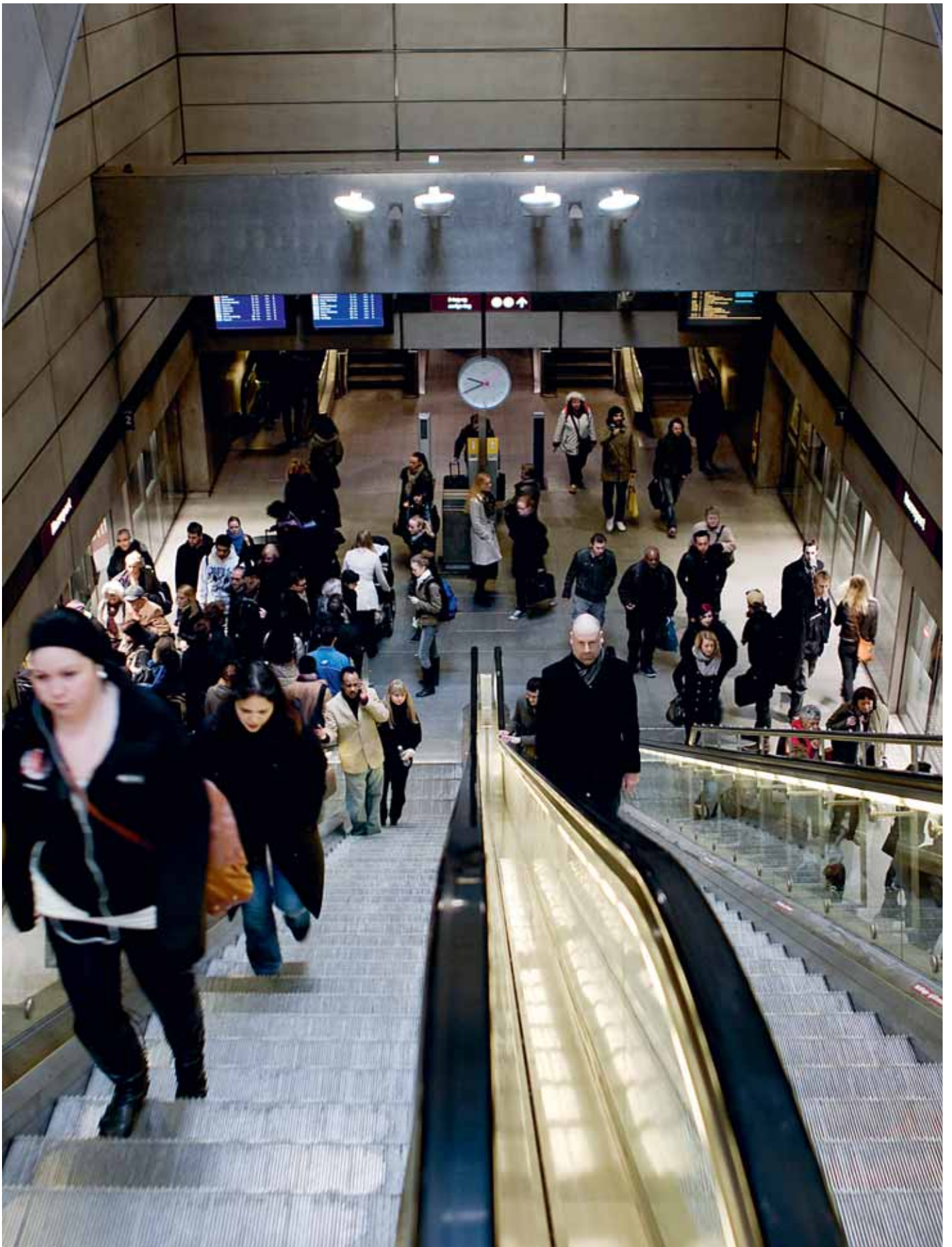
FINANCING

At the end of 2010, Metroselskabet had financial reserves totalling DKK 1.4 billion. The Company has made fixed-term deposits with banks and purchased bonds. All investments have been made in Danish kroner or euro. The Company achieved an overall effective yield on its investments of 0.9 per cent (3.7 per cent in 2009).

In 2010 Metroselskabet concluded agreements (swaps) to hedge the interest rates on up to two thirds of the Company's future interest expenses. The agreements concluded ensure the Company a fixed low nominal interest rate on a debt of up to DKK 13 billion, when the Company's debt is expected to peak. The Company's swap agreements are recognised under financial fixed assets at a total positive market value of DKK 304 million.

Investment budget for Cityringen

DKK million	Investments in 2010	Investments as of 31 Dec 2010	Total budget
Cityringen	594	1,454	21,323



COMPANY MANAGEMENT

COMPANY BACKGROUND

The object of Metroselskabet is, among other things, cf. the Act on Metroselskabet I/S and Arealudviklingsselskabet I/S of 6 June 2007, to undertake the project design and construction of Cityringen as a Metro system, and to undertake the operation and maintenance of the overall Metro system. The Company must issue public invitations to tender for the operation and maintenance of the Metro.

The Company may furthermore, cf. the Act, conduct other activities that have a natural business relation to the Company's Metro activities. The Company must be operated on a commercial basis.

Furthermore, pursuant to the Danish Act on Transport Companies, the Company must engage in the coordination and supply of public transport in Copenhagen. The purpose of this coordination is to ensure that transport users in Greater Copenhagen experience how transport functions

as one single entity, even though it is provided by different operators. This is to be achieved by the parties coordinating their activities in Greater Copenhagen, particularly in terms of information to customers, transfers, and timetable planning. This coordination requires Metroselskabet to be involved in determining fares and ticketing systems, as well as the coordination of timetables between bus and train operators in Greater Copenhagen.

Trafikstyrelsen (the Danish Transport Authority) is responsible for the overall coordination of this cooperation, so that the income from the joint ticketing system is distributed on the basis of passenger statistics and the jointly adopted fare level. Metroselskabet is subject to an obligation to be part of the income sharing arrangements.

BUSINESS STRATEGY

Metroselskabet's business strategy defines the Company's vision and mission. The Company's Articles of Association state that the Board

of Directors shall present a business strategy to the Company's owners as a minimum every fourth year. In 2010 the Company has therefore initiated a process to result in a new business strategy. The Board of Directors approved the strategy and recommended it for the owners' approval at the annual general meeting of the limited partnership company in April 2011. The strategy period runs until mid-2014.

In the future business strategy there is focus on setting overall objectives for Metroselskabet that the owners find relevant and visionary. The objectives in the business strategy must be measurable and operationalised into concrete action plans that can serve as guidelines for the Company's employees in their day-to-day work.



Financial risks

Metroselskabet manages a number of financial risks:

CURRENCY RISKS

Borrowing is regulated by a three-party agreement between Danmarks Nationalbank, the Ministry of Transport and the Company. The agreement sets out guidelines for the types of financial instruments and loan agreements that the Company may include in its loan portfolio. According to these guidelines, the Company's loan portfolio may only be exposed in DKK and EUR.

INTEREST RATE RISKS

Interest rate risks are managed by borrowing and investing money at both variable and fixed interest rates. The duration – the average fixed-interest period – of the Company's deposits at year-end 2010 was 64.1 years. The profit for the year is affected by fluctuations in the market value adjustment, which is determined overall by the development in the general level of interest rates. If the interest rate falls, for example, the market value of a fixed-interest bond rises, and vice versa.

COUNTERPARTY RISKS

The Company only places liquidity with the most creditworthy Danish and foreign institutions, so that the counterparty risk is limited as far as possible. This risk is managed and monitored continuously via a special line and limit system which determines the principles for the specification of these risks, as well as a maximum limit to the risks that may be accepted for an individual counterparty. The latter is measured in relation to the counterparty's ratings from the international rating agencies. The Company also seeks to reduce risk by using appropriate agreement documentation. In this connection, special agreements on provision of security - CSA agreements - are concluded with counterparties.

RATING

International credit-rating agencies allocate companies a rating as an expression of their credit standing. The ratings are part of a scale in which AAA is the top rating, AA the next rating, and so on. Due to the joint and several liability of the Danish State, the Company is indirectly subject to the same rating as sovereign risk, which is AAA.

THE OBJECTIVES ARE THE FOLLOWING

- An increase in the number of passengers by approximately 15 per cent from the beginning of 2011 to mid-2014
- Cityringen must be constructed within the approved budget and the adopted timeframe and quality standard
- The operation of the Metro must ensure the best possible customer-oriented product, on an efficient basis that is targeted at proactive maintenance and reinvestment in the Metro, in order to maintain the value of the Company's assets. The objective is to reduce the costs per passenger in both financial and environmental terms
- Metroselskabet will identify potential new business areas
- Metroselskabet's organisation and activities will be subject to ongoing optimisation, and the organisation will be adjusted to new business areas and project phases

Construction and operation activities must be carried out on a commercial basis. By undertaking these activities, the Company is helping to solve infrastructure challenges. The Company's business strategy is based on a balance between the short-term liquidity considerations and the long-term economic interests, with the latter carrying most weight. The construction activities are therefore long-term investments, where short-term cost-cutting may lead to major extra operating expenses for many years ahead.

CAPITAL

In connection with the Company's business strategy the Company's partners are furthermore presented with an updated long-term budget, including the expected repayment term for the debt of the limited partnership company. The long-term budget presents the expected long-term economic development in the Company. The description of the Company's financial position is based on a number of assumptions that are subject to the uncertainty that will always apply to the assessment of future circumstances. The budget is based, among other things, on assumptions concerning trends for the number of Metro passengers and for the development in interest rates. Subject to the given assumptions, the net debt is expected to peak in 2023 at DKK 21.9 billion (in

current prices). The debt is expected to be fully repaid by 2059. The current long-term budget is presented as an Appendix to the Directors' Report.

The Board of Directors determines an annual finance strategy for the Company in order to ensure active overall financial management in order to minimise the long-term financial costs, with due consideration of financial risks.

The Company's Board of Directors may outsource its financial management, including the raising of loans, to a third party. An agreement has been concluded with Sund & Bælt Partner on the financial management function.

As joint partners in the Company, the Danish State, the City of Copenhagen and the City of Frederiksberg are, directly, unconditionally and jointly and severally, liable for all liabilities of the Company, including the loans raised by the Company. In view of the joint and several liability of the Danish State, the Company is indirectly subject to credit rating like the Danish State, i.e. AAA by Moody's and AAA by Standard & Poor's. Consequently, the Company is generally able to obtain capital market terms comparable to those available to the Danish State. In addition, the Company is able to raise re-lending loans at Danmarks Nationalbank. A re-lending loan is a loan raised directly for the Company from Danmarks Nationalbank on

behalf of the Danish State, based on a specific government bond, and on the same terms as those that apply when the bond is sold in the market.

ORGANISATION

Metroselskabet is owned jointly as a partnership by the City of Copenhagen (50 per cent), the Danish State (41.7 per cent) and the City of Frederiksberg (8.3 per cent).

The Board of Directors of Metroselskabet is the Company's supreme authority, and is thus responsible for ensuring that Metroselskabet pursues the objectives laid down in legislation. The Board of Directors approves the Company's vision and strategy on the basis of proposals from the Board of Executives.

The Board of Directors has nine members who are appointed for a period of four years. The current election period runs until 31 December 2013.



The City of Copenhagen and the Danish State each appoint three members, while the City of Frederiksberg appoints one member and an alternate member. In addition, the Company's employees elect a further two members of the Board of Directors. In 2010, twelve meetings of the Board of Directors were held, as well as one seminar for the Board of Directors and respectively three and four meetings of the Risk Committee and the Audit Committee.

The Company reports the risk assessment to the Board of Directors on a regular basis. The Board of Directors has appointed a Risk Committee under the Board of Directors, to facilitate such reporting. The purpose of the Risk Committee is to prepare the Board of Directors' consideration of the Company's risk management, including risk assessment and risk reporting. Metroselekskabet's Board of Directors has also appointed an Audit Commit-

tee to assist the Board of Directors in its oversight of the Company's internal control systems that provide the basis for the presentation of the financial statements. The Audit Committee furthermore monitors the independent audit process and the Company's compliance with the legislative requirements for the presentation of financial statements. The Audit Committee focuses in particular on ensuring the credibility, integrity and transparency of the internal and external financial statements.

The Company's Board of Executives comprises Managing Director Henrik Plougmann Olsen, who undertakes the day-to-day management of the Company. The Board of Executives furthermore comprises Deputy Director Anne-Grethe Foss, who is responsible for Metro Operations, Technical Director Erik Skotting, and Director of Communications and Human Resources Peter Kyhl.

In 2010 organisational adjustments were made in preparation for the Company's commencement of the construction of Cityringen.

At the close of the financial year, the Company employed a staff of 123 to undertake the operations of the Company and the existing Metro, and the construction of Cityringen. In addition, approximately 130 consultants are also working on the construction of Cityringen and are based at Metroselekskabet's premises on Metrovej.

The Company's Board of Directors and Board of Executives are continuously inspired by the existing recommendations on good corporate governance. The Company uses such publications as "Staten som aktionær" ("The State as Shareholder", published by the Danish Ministry of Finance, et al.), and the policy on active ownership adopted by the City Council of Copenhagen, in the ongoing assessment of its business strategy.



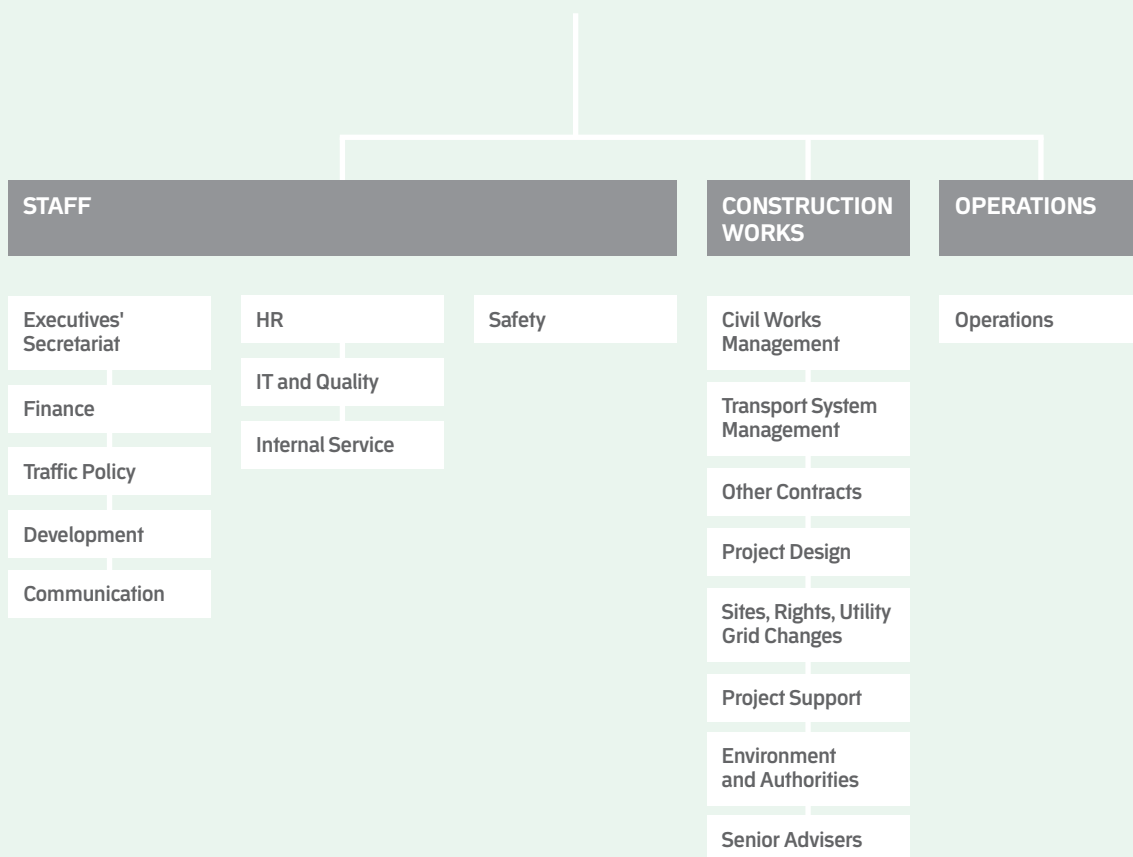
THE BOARD OF DIRECTORS OF METROSELSKABET

From the left: Jens Hieronymus Gravgaard, Birgit Aagaard-Svendsen, Jørgen Glensthøj (Vice Chairman), Ayfer Baykal, Henning Christophersen (Chairman), Bente Rønnebæk, Hans Jensen, Birthe Skaarup and Jesper Christensen (Vice Chairman)

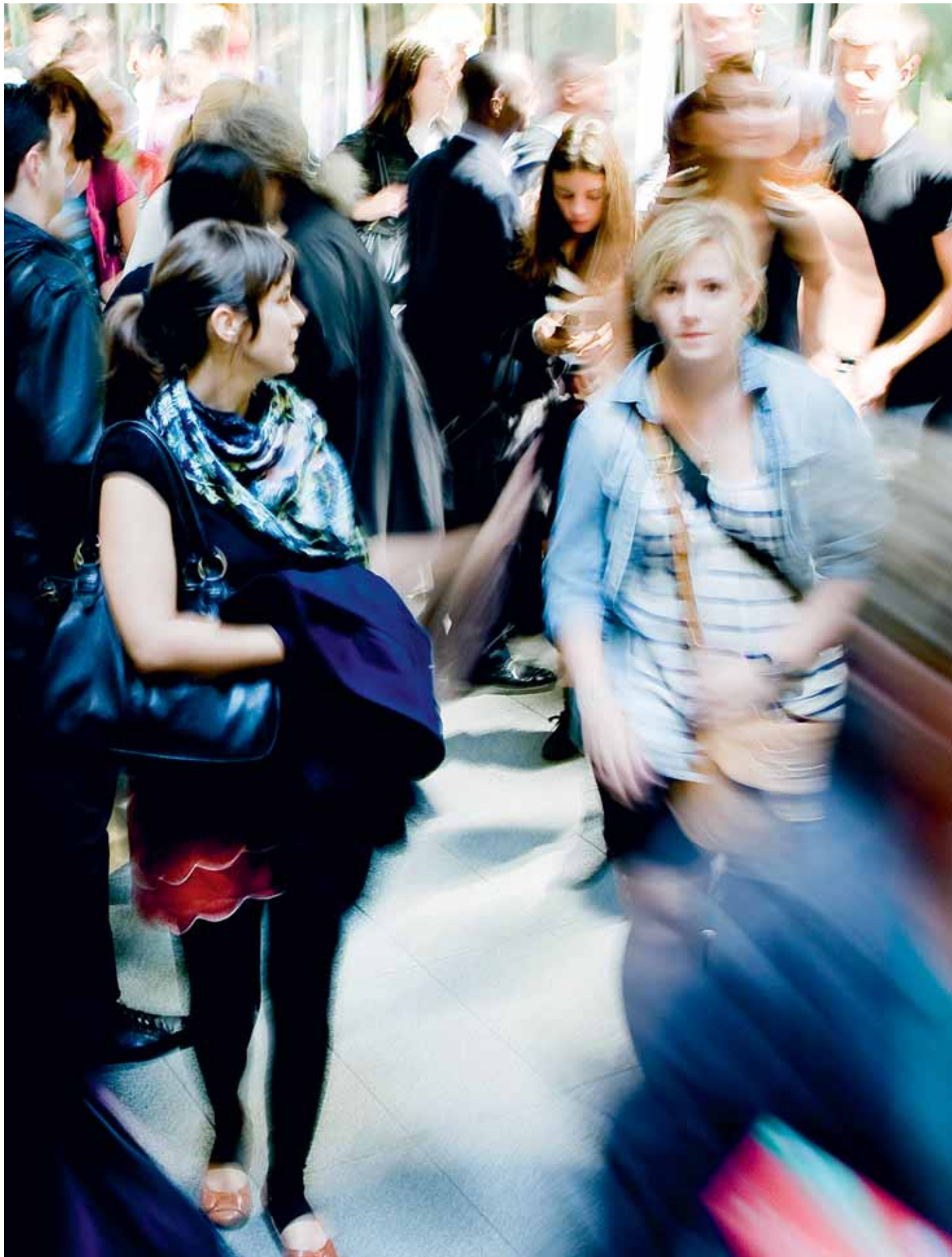
METROSELSKABET'S ORGANISATION STRUCTURE

BOARD OF EXECUTIVES

Henrik Plougmann Olsen, Anne-Grethe Foss, Peter Kyhl, Erik Skotting



* Coordinates the Company's risk management and is responsible for the Company's operational invitations to tender and mobilisation.



RISK MANAGEMENT

The risks to which the Company is exposed are determined. The objective of the overall risk management is to incorporate risks across the entire organisation.

Risks are reported at four levels. The first level involves the designated risk owners who, within their respective professional fields in the Company, identify any new risks and monitor risks already known contributes proposals for and follows up on risk minimisation/prevention initiatives and evaluates current status.

The risk owners report to the Board of Executives, who collect proposals for changes to the current risk assessment. The Board of Executives evaluates the proposals received and ensures that risks are assessed on a uniform basis, with due consideration of probability and consistency across the organisation. On this basis, the Board of Executives prepares a comprehensive list of the Company's risks.

The Board of Executives presents a quarterly proposal for a prioritised list of current risks to the Risk Committee, and then to the full Board of Directors. The Company reports on risk assessment at quarterly meetings with the Company's owners, based on the Board of Directors' consideration hereof.

Procedures for presentation of financial statements and the use of IT
Metroselskabet's Board of Directors has determined the overall procedures and controls for the most important areas in relation to the presentation of the financial statements.

The current accounting instructions thus describe the Company's accounting structure and organisation of accounting activities, including information on the distribution of responsibility and authority within the Company. The instructions also include the regulations that are to be observed by the employees engaged in accounting activities.

A reporting process has been established involving quarterly financial reporting and updates to the Company's forecasts for the year. In addition to an income statement, balance sheet, statement of cash flows and notes, reporting includes an outline of the current status of the operation of the Metro, the construction of Cityringen, and the Company's financial position.

The IT strategy describes the overall use of IT systems, including security and backup issues, etc., while the financing instructions define the framework for handling financial transactions, among other things to ensure the required risk profile.

Arbitration cases

The major engineering contractor from stages 1 and 2A of the Metro, COMET,

has lodged a claim for additional payment of approximately DKK 2 billion in connection with the contractor's final settlement. The claim relates to the years 1999 and thereafter and thus concerns a period when the construction work proceeded without any major problems. The former Ørestad Development Corporation reviewed the claims and informed COMET that these claims would essentially be rejected on the existing basis. COMET has subsequently lodged a claim for arbitration. Metroselskabet has taken over the claims raised against the Ørestad Development Corporation. According to the applicable timetable established by the Arbitration Body, a ruling on the case is expected in 2012.

The engineering contractor for stage 3 of the Metro, Hoffmann/Arkil-Novejfa, has lodged a claim for additional payment of approximately DKK 81 million in connection with the contractor's final settlement. Metroselskabet has reviewed the claims and informed the contractor that the claims must essentially be rejected. The contractor has lodged a claim for arbitration, and a ruling on the case is expected in 2011.

A settlement was reached at the beginning of 2010 with the Movia transport company regarding the distribution of passenger revenue for the period 2005-2007, after Movia had raised an arbitration claim against Metroselskabet.

METRO OPERATION

FIRST MONTH WITH MORE THAN FIVE MILLION PASSENGERS

The Metro continued to increase its passenger numbers in 2010. Approximately 52 million passengers took the Metro during the year, which is over 2 million more than in 2009.

The Metro's passenger numbers fell during the summer months due to engineering work on the suburban rail (S-train) network, which meant that fewer people opted for public transport during this period. Nonetheless, the objective of 52 million passengers was achieved, due to the record-high passenger numbers in November and December.

The severe winter weather conditions led more people to take the Metro, and compared to the ordinary passenger trends the number of pas-

sengers reached 4.8 million in November. The record was already beaten in December, however, when the Metro for the first time carried more than 5 million passengers in one month.

The objective is for the number of passengers to increase to 62 million in 2018.

To ensure a continued increase in passenger numbers Metroselskabet is marketing the Metro in cooperation with Ansaldo and Metro Service. The Company is also working with other transport companies to jointly market public transport (trains, buses and Metro) in Greater Copenhagen. Passenger incentives have also been improved in connection with the new invitations to tender for the operation and maintenance contract. The aim is for the operator to play a greater role

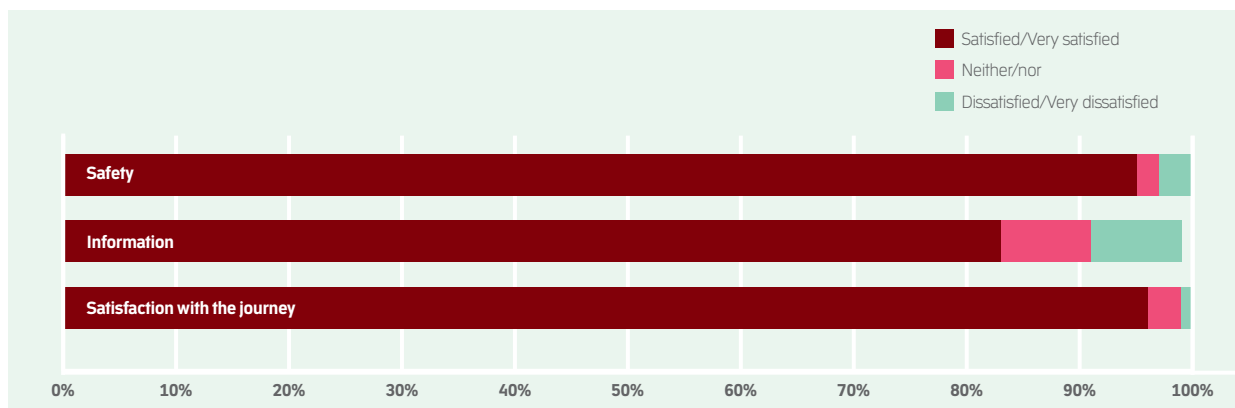
in implementing initiatives to attract more passengers.

Operation of the Metro has been contracted out to Ansaldo STS, with Metro Service A/S as subcontractor, until the end of 2015. The contract was concluded in January 2010 after an EU tender process. The new contract entered into force in October 2010.

OPERATIONAL STABILITY

The operational stability of the Metro is an important factor in relation to retaining and attracting new passengers. Metroselskabet, Ansaldo and Metro Service therefore again in 2010 focused on achieving high operational stability for the Metro. However, the severe winter weather conditions meant that there were months at the

Customer satisfaction



start and end of 2010 when operational stability fell below the Company's objective of 98.0 per cent.

The overall annual result was 98.2 per cent, which means that the objective was achieved. This represents a small decline from the record years of 2008 and 2009.

CUSTOMER SATISFACTION

Customer satisfaction is vitally important to the Metro - both in terms of retaining existing customers and attracting new customers. Metroselskabet, Ansaldo and Metro Service therefore pay close attention to customer feedback, and use several different tools to collect knowledge of customers' expectations and requirements, including by conducting regular customer satisfaction surveys in the Metro.

The overall result for 2010 is shown in the chart on page 16.

SAFETY

The level of safety in the Metro is very high compared with other forms of transport, and motor vehicles in particular. This is emphasised by the fact that there has not been a single serious accident in connection with train operations during the entire lifetime of the Metro.

Metroselskabet's objective is for the Metro to be at least as safe as the safest new Metros in the world. The Metro's safety aspects are therefore a

focal point for both the Operator and Metroselskabet.

TICKET BY TEXT MESSAGE IS A HIT

Since the introduction of the mobile phone ticket, whereby public transport users in the Capital Region can buy tickets via mobile phone, the number of text message tickets sold has increased steadily. At the end of 2010 just under 40 per cent of the total number of tickets sold on a cash basis were sold via text message. Approximately 90,000 text message tickets were sold in an ordinary week in December in the Capital Region.

In addition, new products such as the text message multi-trip card were successfully tested during 2010, and several more mobile phone products are expected to be launched during 2011.

ELECTRONIC TICKET SYSTEM

Metroselskabet owns 8 per cent of Rejsekort A/S, which undertakes the primary task of developing and preparing Rejsekortet (the electronic ticket system), which will help to make it easier to buy tickets for public transport in Denmark. The electronic ticket system is already in use as a pilot project in areas such as central and western Zealand. Rejsekort A/S's plan is to implement the electronic ticket system in the different regional areas on a gradual basis until the system is rolled out in the Capital Region in

2012, when Metro passengers will also be able to use it. Just before Christmas 2010 Rejsekort A/S and the supplier, East-West, committed themselves to a new supplementary agreement which is to ensure the completion of the electronic ticket system, for the benefit of public transport users. In 2010 Rejsekort A/S faced liquidity problems that Metroselskabet has contributed to solving, although Rejsekort A/S' long-term liquidity problems did not appear to have been solved by the end of 2010.

TRAVEL PLANNER

Metroselskabet owns 3.2 per cent of Rejseplanen A/S. Rejseplanen A/S was founded on 1 January 2003, and now responds to over 10 million travel planning queries each month, making it Denmark's largest public Internet service. The purpose of the travel planner service is to make relevant travel planning information about public transport in Denmark available to the general public. Metroselskabet is therefore a co-owner of Rejseplanen A/S. The other owners are the regional and local transport companies throughout Denmark.

ANSALDO WINS NEW OPERATIONS CONTRACT

Ansaldo STS won the contract to operate the Metro up to the end of 2015 - with the option of a further three years up to 2018.

Ansaldo STS has handled the operation of the Metro since it opened in 2002, and thus has considerable experience from the Metro's operation, which has been highly satisfactory. In the spring of 2010 Ansaldo/Metro Service's work to ensure a 24-hour service all year round resulted in two awards at the metro industry's annual conference in London, when the Copenhagen Metro was nominated as both the "World's Best Metro" and the "Best Driverless Metro".

The new operations contract entered into force in October 2010 and is structured to ensure even greater involvement of Ansaldo/Metro Service in the work of increasing the number of passengers than in the previous contract. Metroselskabet therefore expects that Ansaldo/Metro Service will continue to be a close partner in achieving the ambitious passenger number growth targets.

COMMUNICATION

In cooperation with the Metro operator major efforts have been made in recent years to improve communication with the increasing number of passengers. The control room has improved the flow of information to passengers in the event of operational disruptions. In addition, real-time communication has been introduced whereby customers can stay updated on the next Metro departures via the website and their mobile phones. Metroselskabet also provides information on bus and train departures from the stations where it is possible to transfer between bus, train and Metro, in order to improve the level of service information to customers through the journey. There have also been initiatives to improve operational announcements in English, for the benefit of tourists and Copenhagen's many non-Danish-speaking residents.

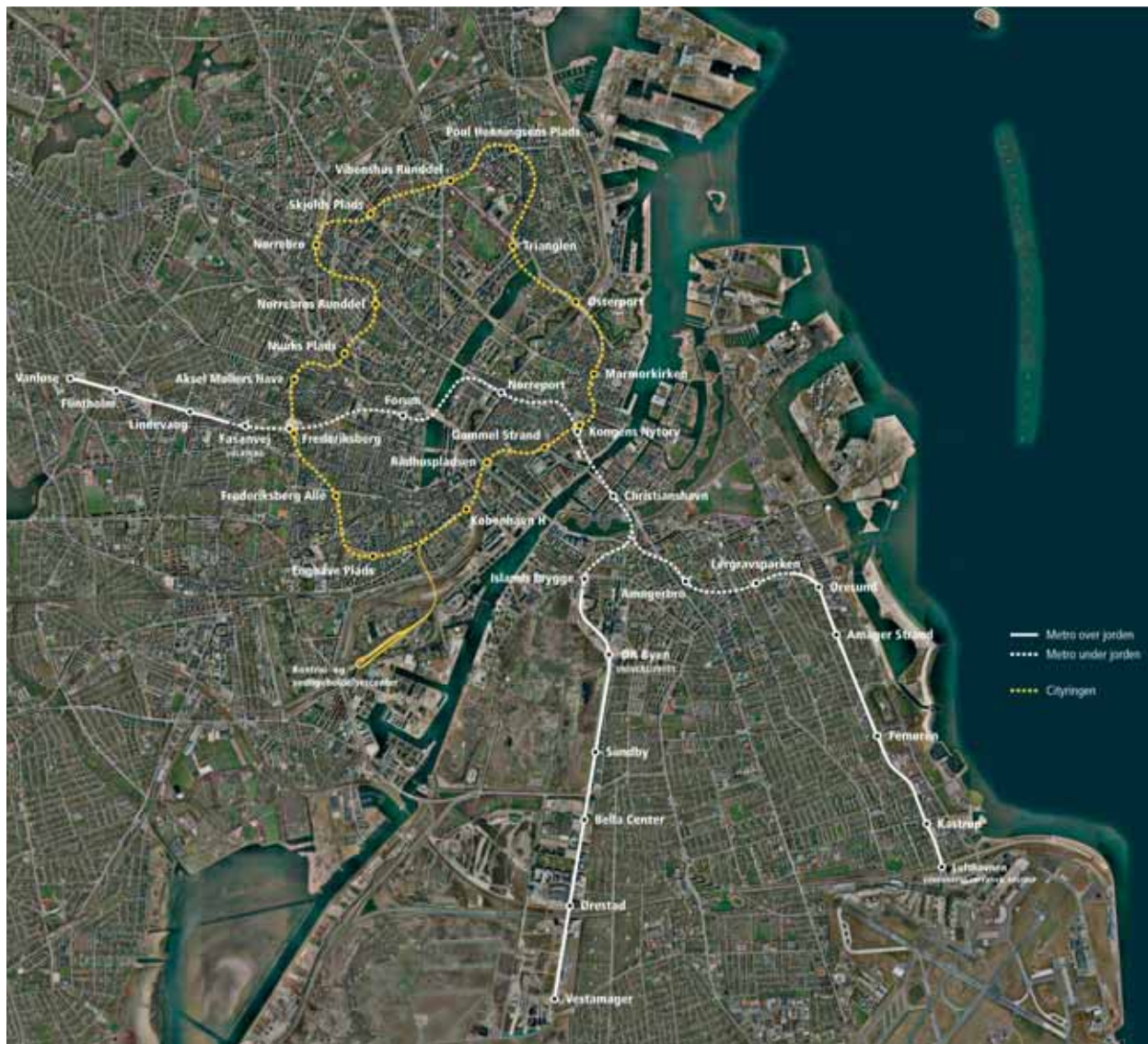
OBJECTIVE FOR 2011

The operational objective for 2011 is to maintain operational stability at a high level of over 98 per cent, while the growth in passenger numbers increases as planned. One of the operational focus areas in 2011 will be an improved Metro culture, to be achieved via passenger information campaigns on appropriate conduct such as when entering and leaving the train. Another focus area will be general information to passengers, where the work of ensuring punctual and relevant information for Metro passengers in both Danish and English is given high priority, in order to maintain the high level of passenger satisfaction the surveys showed in 2010, when more than 95 per cent of the passengers asked responded that they were either satisfied or very satisfied with the Metro.





CITYRINGEN



In collaboration with the Cities of Copenhagen and Frederiksberg, the Danish State (through the Ministry of Transport) has entered into an agreement on the expansion of the existing Metro by the addition of a Cityring.

Cityringen will be a completely new Metro line constructed according to the same principles as the existing Metro. This does not mean that it must be built by the same contractors and suppliers, but that functions, structures and systems will to a great extent be the same as for the existing Metro. For example, the Metro is fully automatic, driverless and operated by short trains running at regular intervals. The station concept will in principle be the same as for the existing Metro, where the stations are designed as large open spaces.

Cityringen will run in a tunnel under the Copenhagen city centre, the "bridge quarters" and Frederiksberg. Cityringen will have 17 underground stations. In total, one tunnel section with twin tunnels, each approximately 15.5 km long, will be constructed, as well as a branch to a new Control and Maintenance Centre (CMC).

When Cityringen opens, passengers will be able to transfer to and from the existing Metro lines at Kongens Nytorv and Frederiksberg stations. It will also be possible to transfer to the regional rail and S-train

networks at the Copenhagen Central and Østerport stations, and to the S-train network at Nørrebro station. On the existing Metro line it is possible to transfer to the S-train network at Vanløse, Flintholm and Nørreport stations. It is also possible to transfer from the Metro to regional trains at the Øresund and Airport stations. When Cityringen is completed, it will, for example, be possible to travel from Nørrebro Runddel to Enghave Plads in seven minutes; from Nørrebro station to Trianglen in six minutes; and from Poul Henningsens Plads to Rådhuspladsen (Town Hall Square) in eight minutes.

On the owners' approval in December 2010 of the financial basis for the conclusion of the major construction contracts, the basis for the establishment of Cityringen for a total of DKK 21.3 billion in 2010 prices has been approved. Cityringen is expected to open to passengers in 2018.

CITYRINGEN IN 2010

The preparations for the construction of 17 new Metro stations and 15.5 kilometres of double tunnel got underway in 2010, when 16 of the 21 construction sites for the Cityringen project became operational.

Utility grids for the city's supplies of electricity, water, gas, Internet, sewerage, etc. are being realigned in order to clear the sites for the coming

Facts about Cityringen

- Act adopted by the Folketing (Parliament) in June 2007
- Proposal approved by the Minister of Transport in March 2009 at the recommendation of the City of Copenhagen and the City of Frederiksberg
- Expected to open in 2018
- Financial basis
- Budget of DKK 21.3 billion (2010 prices)
- Maximum debt of DKK 21.9 billion in 2023 in current prices
- Year of repayment 2059
- Section of 15.5 kilometres
- Tunnel track at a depth of approximately 10-35 metres
- 17 stations
- Expected total annual number of passengers of 131 million

new stations. The station sites must be ready in step with the commencement of the actual construction works during 2011.

The Cityringen project originally anticipated the establishment of a switch chamber under Halmtorvet and a track junction under Sønder Boulevard. In connection with the preparatory work it was, however, discovered that the area under Halmtorvet and Sønder Boulevard was significantly more contaminated than previously assumed. The contamination proved to be so serious that the execution method originally planned had to be abandoned, as it would have entailed unacceptable working environment conditions.

On these grounds, just before Christmas 2010 Metroselskabet decided to adjust the project so that the switch chamber under Halmtorvet would be omitted and the junction

chamber under Sønder Boulevard between Skydebanegade and Absalonsgade would be constructed as a closed chamber.

LARGEST ARCHAEOLOGICAL EXCAVATION

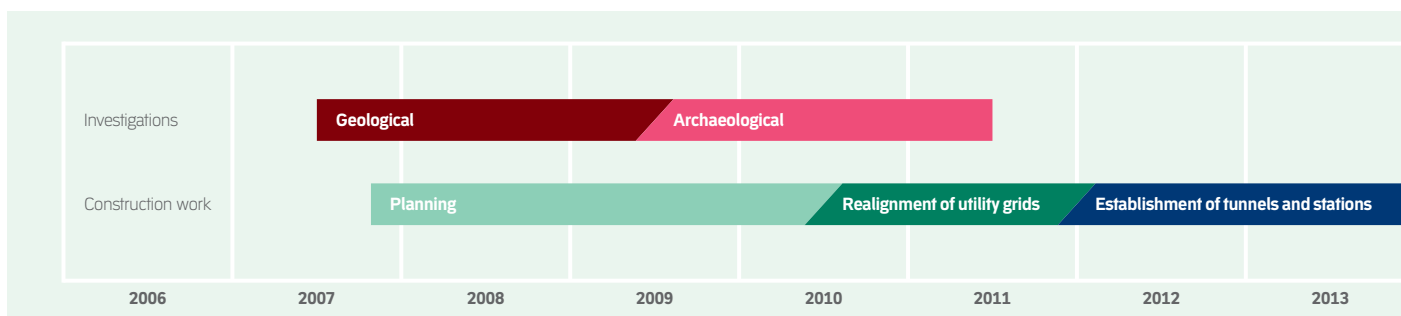
The Museum of Copenhagen, which is responsible for the Cityringen archaeological excavations, describes the work as the largest archaeological excavation project in Scandinavia to date.

The museum has received applications from archaeologists from all over the world, and around 60 archaeologists are currently engaged in uncovering new details of Copenhagen's history at Gammel Strand and Kongens Nytorv. At Kongens Nytorv, archaeologists found the old Østerport (East Gate) from the 18th century during the excavation work in 2010. In 2011, another interesting archaeological site will be uncovered when utility grids

Financial facts about Cityringen

- The construction budget is estimated to lie in the range of DKK 14-22.2 billion
- After the conclusion of the contract in January 2011 the construction budget totals DKK 21.3 billion
- This represents a construction budget increase by approximately DKK 3.2 billion from the basic budget
- An agreement has been concluded to reduce interest expenses on the financing of the project by approximately DKK 3.0 billion
- Economies have been found and the profit on operations has been subject to upward adjustment by approximately DKK 0.2 billion
- No change in the overall financial basis
- Expected to be repaid in 2059

Cityringen timeline



are realigned under Rådhuspladsen (Town Hall Square). Metroselskabet has requested Rigsrevisionen (the Audit of the State Accounts) to undertake quality assurance of a selection of the account statements for the archaeological work.

COMPLETED INVITATIONS TO TENDER

Metroselskabet received the first Cityringen tenders early in the spring of 2010. During protracted negotiations it was possible to reduce the initial bids from the tenderers by an overall amount of approximately DKK 4 billion, so that the total cost of Cityringen on the owners' approval of the financial basis was fixed at DKK 21.3 billion.

In November, Metroselskabet announced the winners of the Cityringen contracts, and in December the recommendation concerning the financial basis was approved by Metro-

selskabet's owners. The construction contracts were awarded to Copenhagen Metro Team, which consists of Salini, Technimont and SELI, and which is to construct 17 new stations and 15.5 kilometres of double tunnel. Copenhagen Metro Team already collaborates on the expansion of one of the new metro lines in Rome, Italy.

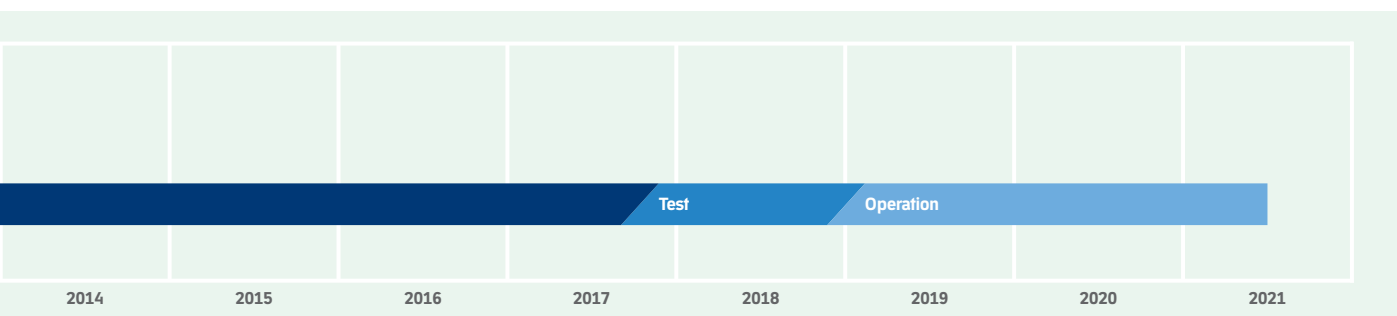
Two of the losing consortia have subsequently filed a complaint to Klagenævnet for Udbud (the Tender Appeals Board). On 2 January 2011 the Board ruled that the complaints were not to have standstill effect. The complaints are pending before Klagenævnet for Udbud.

Ansaldo STS won the contract to deliver the trains, operation system, and the control and maintenance centre, as well as operation for the first five to eight years. Ansaldo STS has sound experience from Copenhagen, where they have handled the train and opera-

Environmental Report

Metroselskabet's environmental report concerns the construction of Cityringen, the operation of the existing Metro and the administration of the Company. The environmental report is published every second year.

A key element of the environmental report will be how to handle the massive challenges posed by a construction project as large as Cityringen in the densely populated parts of Copenhagen. There will be focus on such issues as how construction can take place with the least possible inconvenience to the general public. There will also be focus on limiting the Metro's already low CO₂ emissions.



tion system for the existing Metro, as well as its operation since the Metro's opening in 2002.

As a consequence of the conclusion of the contract the Company's equity is expected to be written down to DKK 0 by the end of 2011. Any recognised market value adjustments of the Company's financial contracts may, however, affect the equity capital either positively or negatively.

EXPECTATIONS OF CITYRINGEN IN 2011

2011 will be a year of transition from the preparatory works to the actual construction work. Since 2009, work has taken place in many parts of the city to make room for the construction of stations and tunnels.

A large number of utility grids for sewerage, electricity, water, gas and

telephony have been realigned, while at certain sites archaeologists from the Museum of Copenhagen have found exciting new evidence of the city's history in the subsoil. This work is to continue in 2011, although at many sites the preparatory works are being followed by the actual Metro construction work.

2011 will be the year in which the contractor, Copenhagen Metro Team, begins to establish and commence this enormous construction project. Metroselskabet will assist Copenhagen Metro Team in the work of informing neighbours and the general public about the ongoing work.

ORGANISATION

Metroselskabet made organisational adjustments in 2010 in order to ensure the optimum and most efficient

organisation of the tasks faced by Metroselskabet. To a great extent these tasks are related to the supervision of the construction and supply contracts for Cityringen.

The Company has given higher priority to HR activities in order to ensure the integration of the Company's many new employees and to continue to be able to recruit the best employees and specialists for Cityringen, as well as Metroselskabet's other activities.

COMMUNICATION

It is vital for Metroselskabet to ensure open and inclusive dialogue, in order to ensure appropriate information and sound communication with its many passengers, as well as neighbours and other parties affected by the 21 Cityringen construction sites.

Information on Metroselskabet's work on Cityringen is another high-focus area, in order to ensure proactive, sound and detailed information on the construction work that affects a number of central squares in Copenhagen and Frederiksberg. Metroselskabet uses a large number of information channels and seeks dialogue with neighbours and other stakeholders in its mission to construct Cityringen with due respect for the people who live in and use the city.





SOCIAL RESPONSIBILITY

INTRODUCTION

Each day, Metroselskabet takes care of the many passengers who entrust responsibility for their everyday transport to the Metro. Taking responsibility for the neighbouring community is therefore a basic principle of Metroselskabet's day-to-day work. However, Metroselskabet's responsibility extends beyond simply transporting people. The Company is also responsible for the environment, working environment and security, and for its employees. The Company therefore has the following corporate social responsibility objectives:

- To ensure reliable, environmentally friendly public transport in Copenhagen via both the existing Metro and Cityringen
- To create a safe Metro for both passengers and employees
- To ensure a sound working environment during the construction of Cityringen and for the operation of the existing Metro
- To ensure sound working conditions, including salary and employment conditions that can contribute to attracting and retaining employees

The Company's greatest responsibility to the neighbouring community consists of its responsibility for public transport. Both the existing Metro and Cityringen will change traffic patterns in central Copenhagen, have a positive effect on the city's air quality, contribute to reducing CO₂ emissions, and help solve congestion problems.

The Company therefore imposes demands on both itself and its suppliers which in several areas go far beyond those prescribed in legislation. This is the case, for example, in relation to the environment, working environment and safety, where Metroselskabet's special requirements and own initiatives are described below.

ENVIRONMENT

Metroselskabet works continually and systematically to reduce environmental impacts from the Metro. Every second year Metroselskabet prepares an environmental report which presents the Company's environment objectives.

Policy

Work on the environment has resulted in the following vision for the environment:

The vision is for the Metro to be one of the most environmentally friendly Metro systems in the world, and for construction of new Metro lines to show the greatest possible con-

sideration for the environment and the affected neighbours.

This vision is implemented as a specific policy in the environmental report. It is updated regularly and is to ensure that the Company maintains its focus and works towards the vision, and that new challenges are addressed.

Action plan

The existing Metro is a modern system which has already implemented many of the obvious environmental initiatives. Ongoing efforts are being made to achieve further environmental improvements. Both the construction and operation of Cityringen will be at least as environmentally friendly as the existing Metro.

In the environmental report the environmental policy has been translated into an action plan for the existing Metro, Cityringen and administration. On an ongoing basis, the action plan contributes to closing the gap between the current environmental impact and the environmental impact objectives (policy).

Furthermore, a specific environmental strategy to reduce environmental impacts in the following specific environmental areas has been prepared in cooperation with the City of Copenhagen and the City of Frederiksberg. These areas are: management of groundwater and surface water during construction, traffic routing to and

from the construction sites through the city, and management of impacts due to noise, vibration and air pollution.

The environmental policy will be monitored on a regular basis, and the status will be reviewed in Metroselskabet's environmental report.

SAFETY

Policy

The overall safety policy objective is that the Metro must be just as safe as the safest new Metro systems in the world.

The following safety policy objectives for the construction of Cityringen have been determined:

Metroselskabet will maintain its high safety objectives during the development of Cityringen, as well as in the organisation of the future operation of both the existing Metro and the future Cityringen.

Action plan

In order to maintain and improve the Metro's safety policy objective the Company regularly evaluates possible updates to safety procedures in cooperation with our operations contractors. Metroselskabet draws on a large network among Metro systems in other countries, for example for the exchange of experience in relation to safety procedures.

The increased focus on the risk of terrorist attacks on transport systems has led to greater focus on emergency response initiatives in the Metro. Metroselskabet works with the operations contractor and the emergency services on a continuous basis with the aim of preventing terrorism and other accident situations, and ensuring the best possible emergency response, should they occur. Metroselskabet also participates in an experience exchange

network with other Danish transport companies regarding the emergency response for transport systems.

Crime prevention initiatives form part of the Metro safety work. To help maintain a secure environment within the Metro, for both customers and employees, the operations contractor ensures that Metro staff are trained in conflict management. All stations and Metro trains are subject to video surveillance, which also helps to ensure a safe and secure environment in the Metro system. Finally, Metroselskabet sponsors Natteravnene (the Night Owls) by providing free transport so that they can travel around Copenhagen on the Metro when they are out and about to help keep Copenhagen's nightlife safe.

Metroselskabet participates in a crime prevention initiative aimed at preventing violence, vandalism and





operational disruptions to and on the Metro system. In cooperation with the Copenhagen Police and the municipal SSP (social services/police liaison) consultants opportunities for crime prevention initiatives and projects are assessed at locations where the parties have noted repeated incidents and challenges. The idea is to gradually expand this cooperation in order to establish a network for the exchange of experience among transport companies.

WORKING ENVIRONMENT

Construction of the existing Metro has shown that good planning and a focus on safety can reduce the number of workplace accidents. Construction has been spared any serious accidents, and there have generally been fewer accidents than the average for the building and construction sector in Denmark. The accident frequency has thus been approximately 31 per million working hours for phases 1-2 of the Metro, compared to approximately 36 per million working hours for the overall sector. For phase 3, the accident frequency was reduced to approximately 16. The frequency has generally declined throughout the construction period. Joint safety inspections, working environment campaigns, establishment of a safety culture, safety planning, and senior management focus on this area have all contributed to the low accident frequency. This

experience will be used in the working environment strategies currently being determined for Cityringen.

POLICY

Metroselskabet has formulated the following working environment policy for the construction of Cityringen.

Metroselskabet must:

- Undertake management of the working environment in accordance with the intentions of the DS/EN OHSAS 18001 standard.
- Include consideration of the working environment in decision-making processes and integrate these considerations in the project.
- Prevent occupational accidents and work-related injuries.
- Achieve a high working environment standard for the construction sites as well as the completed Metro system operations,
- Substitute and, as far as possible, avoid less healthy, hazardous materials, chemical products and working methods during the construction, operation and maintenance of the Metro system.

ACTION PLAN

As the developer, Metroselskabet will ensure that the construction of Cityringen takes place in an environment that prevents working environment problems and accidents. A systematic effort is therefore made to identify working environment problems in the design phase. Metroselskabet establishes workplace assessments in the design phase for the work processes to be performed during the construction phase, just as solutions to possible working environment problems will be incorporated during the design phase.

The initiative has also been taken to create a reference group for the construction of Cityringen. The aim of the reference group is to promote greater dialogue on the working environment with contractors, organisations and public authorities. A similar reference group was created during the construction of the existing Metro, and experience gained from these meetings will be used in both the project design and construction of Cityringen.

STAFF CONDITIONS

Policy

Metroselskabet has laid down a personnel policy which is regularly updated as the need arises.

There is also focus on the indirect staff responsibility the Company has for the operations contractor's personnel.

In cooperation with the operations contractor Metroselskabet will assess whether there is a need and potential for improvements, in order to ensure employees the best possible conditions.

Metroselskabet has implemented a gift policy and prepared whistleblowing guidelines in order to counter corruption and bribery. Both have been incorporated into the Company's personnel policy.

Action plan

Well-trained employees with a high degree of job satisfaction are essential to achieving efficient operations and a high level of customer satisfaction. The majority of Metro staff, especially those in the front line, are employed by the operations contractor, and are therefore not directly under the authority of Metroselskabet. However, the contract with the operations contractor emphasises good conditions for employees, including basic training and regular training updates for all employees.

In relation to the Company's own employees, preventive measures are taken to promote employees' health and well-being by combining efforts to improve the working environment with initiatives that emphasise a healthy lifestyle and greater well-being. Metroselskabet therefore offers all employees a health examination, and the opportunity to participate in

health classes that focus on lifestyle and nutrition. A healthy canteen scheme has also been set up, and a fruit scheme is available to employees. The Company also offers massage and psychologist services to employees, as part of ensuring staff retention in the event of illness or accident. The Company also offers sheltered employment, and is involved in training in approved trainee positions within the Company.

Whistleblowing guidelines have been prepared to instil respect concerning Metroselskabet's obligations to comply with laws and regulations, as well as internal guidelines and policies. The guidelines also aim to provide security for employees by giving them clear opportunities for reporting, and protection of those who have filed reports if rules have been breached. In order to protect the Company's employees from corruption, a gift policy has been formulated to provide clear guidelines in this area. Metroselskabet therefore enforces a very strict policy in relation to receiving gifts from suppliers, customers or collaboration partners.

The Board of Directors has elected to be subject to these policies on the same terms as the rest of the Company.

It is also checked that all prequalified tendering companies comply with Article 45 of the EU public procurement directive. Under this article,

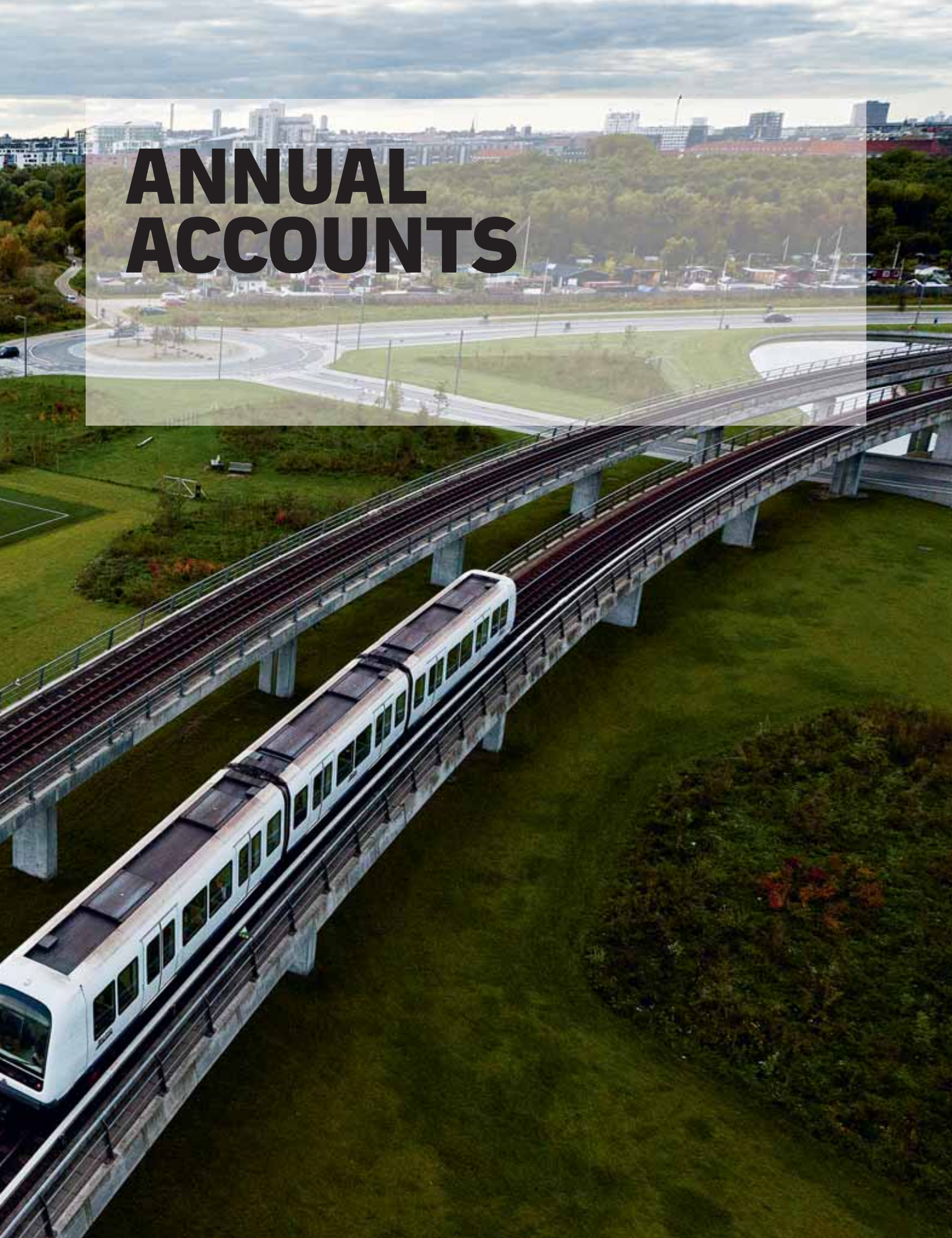
companies may be excluded from submitting bids if they have been convicted of money laundering, bribery, fraud, tax evasion, or evasion of social security payments. Metroselskabet's invitations to tender naturally also require suppliers to comply with current laws and regulations on wages and working conditions, production conditions, etc.

In accordance with ILO convention no. 94 on labour clauses in public contracts, Metroselskabet requires the contractor to ensure that the staff employed by the contractor and any subcontractors to the contractor in order to fulfil the contract are hired on salary and employment terms that are no less favourable than the salary and employment terms that in accordance with a collective agreement, legislation or administrative regulations apply to work of the same nature within the trade or industry concerned in the region in which the work is performed. This requirement applies to both the existing Metro and to Cityringen.





ANNUAL ACCOUNTS



ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The annual report for Metroselskabet has been prepared in accordance with the stipulations of the Danish Financial Statements Act for class D enterprises and applicable Danish accounting standards. The format of the profit and loss account has been adapted in order to better show how the results have been generated.

The accounting period is 1 January – 31 December 2010. The annual report shows DKK (thousands). The applied accounting policies are unchanged from the previous year.

GENERAL INFORMATION ON RECOGNITION AND MEASUREMENT

Assets are recorded in the balance sheet when it is probable that future economic benefits will accrue to the partnership, and the asset's value can be measured reliably.

Liabilities are recorded in the balance sheet when it is probable that future economic benefits will be deducted from the partnership, and the liabilities' value can be measured reliably.

When first recorded, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item in the following.

When implementing recognition and measurements, predictable losses and risks arising prior to presentation

of the annual report, and that confirm or invalidate conditions that exist on the balance sheet date, are taken into account.

The profit and loss account includes income as it is earned, while costs are recorded with the amounts relating to the financial year.

Value adjustment for financial assets and liabilities measured at market value is also recorded in the profit and loss account.

FOREIGN CURRENCY TRANSLATION

When first recorded, transactions involving foreign currency are translated at the exchange rate as of the transaction date. Accounts receivable, debts and other monetary items in foreign currency that have not been settled at the balance sheet date are translated at the exchange rate as of the balance sheet date. Exchange rate differences arising between the exchange rate as of the transaction date and the rate on the payment date or balance sheet date respectively are recorded as financial items in the profit and loss account. Fixed assets purchased in foreign currency are recorded at historical rates.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are measured at cost when first recorded in the balance sheet, and subsequently at market value. Derivatives are recorded under accounts

receivable and liabilities respectively. Any changes in the market value of derivatives are currently recorded as financial items in the profit and loss account.

PROFIT AND LOSS ACCOUNT

Income

The Metro's fare revenue, which includes payments from the joint fare system in the metropolitan area, is recorded as the service is supplied, i.e. based on the number of passengers.

The Metro's operating income, which includes income from leasing out the Metro, as well as advertising revenue, etc. relating to the Metro, is recorded as the services are supplied.

Value of own work includes the staff costs and other costs for the year, which may be attributed to construction of the Metro (City Circle Line) on the basis of an estimate. The amount has been included in the cost of construction of the Metro.

Other operating income includes revenue from office space rent and minor revenue from leases, etc.

Metro operating expenses

The Metro's operating expenses include expenses for the operational contractor, the partnership's costs for contract management, etc., and other costs for maintaining operation of the Metro.

Staff costs

Staff costs include fees, wages and salaries and other remuneration costs for the Board of Directors, management, administrative and technical staff.

Other external costs

Other expenses include costs for administration, including office supplies, etc.

Financial items

Financial items include interest, realised and non-realised exchange rate adjustments, as well as value adjustments of the partnership's loans, investments and derivatives, measured at market value.

Corporation tax

The partnership is not liable to pay tax.

BALANCE SHEET

Tangible fixed assets

Construction of the Metro

Construction of the Metro is measured as costs incurred for preliminary studies, planning and construction as well as value of own work, until the date the asset is ready for use. The Metro is not depreciated during construction.

Metro in operation

The Metro put into service is measured at cost less depreciation and write-down undertaken. The cost price is equivalent to the current value as of 1 January 2007 (opening balance), plus

subsequent investments. The current value has been calculated as the future cash flows (recoverable amount).

The basis for depreciation, which is calculated at cost, is divided linearly over the assets' expected service life.

The Metro in Operation has been divided into component parts with uniform service lives, constituting:

Tunnel and shell of underground stations	100 years
Other fixed facilities	50 years
Rolling stock, mechanical and electrical installations	25 years
Other technical installations	10 years

The scrap value has been set to zero, taking into account estimated service life. Depreciation methods and service life are reassessed annually and amended in the event of any significant change.

Substantial future investments are regarded as separate component parts and depreciated over the expected service life.

Buildings, operating equipment and fixtures and fittings

Buildings, operating equipment and fixtures and fittings are measured at cost less depreciation and writedown undertaken. Cost includes the acquisition sum and costs directly associated with the acquisition. The basis for depreciation, which is calculated at cost

less the scrap value, is divided linearly over the assets' expected service life, as follows:

Computers	3 years
Fixtures and fittings and operating equipment in general	5 years
Temporary office buildings	10 years

Assets with an acquisition sum of less than DKK 100,000 are recorded as costs in the profit and loss account in the year of acquisition.

Gains and losses from sales of tangible fixed assets are calculated as the difference between the sales price less selling costs and the book value at the time of the sale. Gains or losses are recorded in the profit and loss account together with depreciation and write-downs or under other operating income, if the sales price exceeds the original cost.

Write-down on fixed assets

The book value of fixed assets is reviewed annually to determine whether there is any indication of decrease in value over and above that expressed by depreciation. If so, a write-down test is carried out to determine whether the recoverable amount is lower than the book value, and write-down to this lower recoverable amount is implemented.

The recoverable amount is either the net sales price less sales costs or the

capital value, whichever is higher. For calculating the capital value, estimated future cash flows are discounted at current value, while observing the conditions in the long-term budget cf. the Appendix to the Directors' Report, for example that the owners are obliged to pay the large reinvestments in trains, tunnels and stations as the need arises.

The write-down is normally recorded in the profit and loss account. In instances where the write-down can be attributed to an already recorded allocated liability, and is thereby already recorded in the profit and loss account, the write-down is offset against the allocated liabilities as an expression of use thereof.

Financial fixed assets

Participating interests

Participating interests recorded under financial fixed assets – do not cover listed shares – are measured at market value based on calculated capital value. In instances where an approximate market value cannot be calculated, the participating interests are measured at cost.

Accounts receivable

Accounts receivable under financial fixed assets are measured at amortised cost, which is usually equivalent to nominal value less write-downs to meet expected losses.

Derivative financial instruments, assets

Derivative financial instruments are measured at cost when first recognised in the balance sheet, and subsequently at fair value.

Current assets

Property

Property is basically measured at cost or replacement value, where this differs significantly from cost.

Accounts receivable

Accounts receivable are recorded in the balance sheet at amortised cost, which is basically equivalent to face value. Write-down is undertaken to meet expected losses.

Securities

Securities recorded under current assets comprise listed bonds, measured at market value on the balance sheet date.

Liquid resources

Liquid resources include cash and deposits, short-term bank deposits and securities, with a remaining life at the time of acquisition of less than 3 months and which can readily be converted into cash equivalents, and for which there is only a slight risk of changes in value. Securities and investments are measured at market value on the balance sheet date.

Allocated liabilities

Allocated liabilities are recorded when the partnership has a legal or actual liability as a result of an event during the financial year or previous years, and it is probable that discharge of the liability will entail a withdrawal from the partnership's resources.

Allocated liabilities are measured as the best estimate of the costs necessary to settle the liabilities on the balance sheet date. Allocated liabilities are measured at current value.

Long-term debts

Long-term debts are measured at cost at the time of raising the loans, equivalent to the proceeds received less transaction costs defrayed. To create symmetry between valuations of loans raised, derivatives and financial assets, financial assets and liabilities are always subsequently measured at market value and changes in market value are recorded in the profit and loss account.

The background for this principle is that the corporation always takes a portfolio perspective in relation to financial management, such that the intended exposure in response to various financial risks is obtained using various financial instruments – both primary and derivative instruments. This means that no distinction is made, for example, between loans and

derivatives, when managing financial market risk, only the sum exposure is considered.

The choice of financial instruments to cover the economic risks as part of financial management can therefore give rise to accounting asymmetries, unless the above principle is followed.

The short-term element of the long-term debt is recorded under repayment of long-term debt commitments.

Other financial liabilities

Other financial liabilities, which include bank loans, trade creditors and other debts, are measured at amortised cost, which is usually equivalent to nominal value.

CASH FLOW STATEMENT

The cash flow statement for the partnership is presented according to the indirect method and shows cash flows relating to operation, investments and financing as well as the partnership's available funds at the beginning and end of the year.

Cash flows relating to operating activities are calculated as operating profit adjusted for non-cash operating items. Cash flows relating to investment activities include payments in connection with construction of the Metro and investments in securities.

Cash flows relating to financing activities include changes in accounts receivable, trade creditors and other debts as well as net financing expenses.

Available funds include liquid resources and short-term securities.

SEGMENT REPORTING

Information is provided on business segments (primary segment). The partnership conducts commercial activities in Denmark only. The segment reporting follows the partnership's internal financial management.

FINANCIAL HIGHLIGHTS

$$\text{Equity ratio} = \frac{\text{Equity at end of year} \times 100}{\text{Total assets}}$$



Kongens Nytorv



PROFIT AND LOSS ACCOUNT

for the period 1 January – 31 December 2010

(all figures in DKK thousands)

Note		2010	2009
	Income		
2	Metro fare revenue	589,095	522,019
2	Metro operating revenue	189,972	134,733
	Value of own work	71,005	52,348
3	Other operating income	13,604	12,723
	Total income	863,675	721,823
	Expenses		
2	Metro operating expenses	-653,136	-577,551
4	Staff costs	-73,066	-57,343
5	Other external costs	-26,811	-21,146
	Total expenses	-753,013	-656,040
	Result before write-downs and depreciation	110,661	65,783
	Write-downs and depreciation	-786,971	-596,023
	Result before financial items	-676,310	-530,240
6	Financial items		
	Financial income	97,915	159,969
	Financial expenses	-53,277	-16,975
	Total financial items	44,637	142,994
	Result before market value adjustment	-631,672	-387,246
	Market value adjustment	357,695	-29,626
	Result for the year	-273,977	-416,872
	Proposed distribution of profit		
	Carried forward to next year	-273,977	-416,872

BALANCE SHEET

ASSETS

As of 31 December 2010

(all figures in DKK thousands)

Note		2010	2009
	FIXED ASSETS		
	Tangible fixed assets		
7	Construction of the Metro and Cityringen	20,240	7,373
8	Metro in operation	5,023,499	5,182,014
9	Buildings	59,177	63,757
9	Operating equipment and fixtures and fittings	86	129
	Total tangible fixed assets	5,103,002	5,253,273
	Financial fixed assets		
10	Other participating interests	17,318	17,318
11	Accounts receivable	1,007,826	1,047,617
12	Financial instruments	303,647	0
	Total financial fixed assets	1,328,790	1,064,935
	Total fixed assets	6,431,792	6,318,207
	CURRENT ASSETS		
13	Property	9,935	4,960
14	Accounts receivable	1,625,255	1,566,188
15	Other securities	325,227	1,151,177
15	Liquid resources	1,050,042	650,835
	Total current assets	3,010,459	3,373,160
	TOTAL ASSETS	9,442,251	9,691,367

BALANCE SHEET

LIABILITIES

As of 31 December 2010

(all figures in DKK thousands)

Note	2010	2009
EQUITY		
	9,413,339	9,830,211
	-273,977	-416,872
16 Total equity	9,139,362	9,413,339
LONG-TERM DEBTS		
12 Long-term debts	0	55,783
Total long-term debts	0	55,783
SHORT-TERM DEBTS		
	23,769	24,884
	90,832	101,473
17 Other debts	188,288	95,888
Total short-term debts	302,889	222,245
Total debts	302,889	278,027
TOTAL LIABILITIES		
18 Contractual commitments and contingent liabilities		
19 Auditors' fee		
20 Related parties		
21 Currency, interest rate and credit risks		

CASH FLOW STATEMENT

(all figures in DKK thousands)

	2010	2009
Cash flows from operating activities		
Metro fare revenue	589,095	522,019
Metro operating income	189,972	134,733
Other operating income	13,604	12,723
Metro expenses	-653,136	-577,551
Staff costs	-73,066	-57,343
Other external costs	-26,811	-21,146
Total cash flows from operating activities	39,657	13,435
Cash flows from investment activities		
Investment in construction of the Metro	-570,610	-400,996
Investment in buildings, operating equipment and fixtures and fittings	-61	-10,987
Investment in securities (excluding market value adjustment)	825,000	0
Total cash flows from investment activities	254,329	-411,982
Cash flows from financing activities		
Loans raised, net (excluding market value adjustment)	0	0
Accounts receivable	-19,275	-35,586
Trade creditors and other debts	80,644	102,468
Net financing expenses (excluding market value adjustment)	44,637	142,994
Total cash flows from financing activities	106,006	209,876
Change in available funds	399,992	-188,672
Available funds, at start of year	650,835	813,697
Market value adjustment, net	-786	25,809
Available funds, at end of year	1,050,042	650,835



NOTES

Note 1 Segment reporting

(all figures in DKK thousands)

	Metro in Operation	Cityringen	Total
Income	792,670	71,005	863,675
Expenses	-682,009	-71,005	-753,013
Result before write-downs and depreciation	110,661	0	110,661
Write-downs and depreciation	-193,417	-593,554	-786,971
Result before financial items	-82,755	-593,554	-676,310
Fixed assets			
Construction of the Metro	20,240	0	20,240
Metro in operation	5,023,499	0	5,023,499
Buildings	59,177	0	59,177
Operating equipment and fixtures and fittings	86	0	86
Financial fixed assets	1,328,790	0	1,328,790
Total fixed assets	6,431,792	0	6,431,792
Current assets			
Property	0	9,935	9,935
Accounts receivable	1,597,443	27,812	1,625,255
Total current assets	1,597,443	37,747	1,635,190
Debts			
Trade creditors	0	90,832	90,832
Other debts	133,100	55,188	188,288
Total debts	133,100	146,020	279,120

Note 2 Operating result for the Metro

(all figures in DKK thousands)

	2010	2009
Metro fare revenue	589,095	522,019
Metro operating income		
Leasing out the Metro	184,542	126,798
Other income	5,430	7,935
Total Metro operating income	189,972	134,733
Other operating income	13,604	12,723
Total income	792,670	669,475
Metro operating expenses		
Payment for operations	-589,095	-522,019
Contract management, etc.	-29,645	-25,555
Other expenses	-34,396	-29,977
Total Metro operating expenses	-653,136	-577,551
Administration costs	-28,873	-26,141
Total expenses	-682,009	-603,692
Result before depreciation	110,661	65,783
Depreciation	-193,417	-191,732
Result before financial items	-82,755	-125,949

The partnership has outsourced the operation of the Metro. The lease payment depends on the overall operating result for the Metro. In 2010, the Metro had 52 million passengers (50 million in 2009). The fare revenue for 2010 is based on average passenger revenue of DKK 11,22 (DKK 10,69 in 2009).

Note 3 Other operating income

Other operating income includes revenue from renting out office space and minor revenue from leases, etc.

Note 4 Staff costs

(all figures in DKK thousands)	2010	2009
Wages, salaries and emoluments	58,833	46,943
Pension contributions	7,903	6,026
Social security contributions	3,205	2,062
Other staff costs	3,125	2,312
Total staff costs	73,066	57,343
Of which:		
Salaries for the Board of Executives	2,004	2,271
Other payments to the Board of Executives	100	732
Pensions for the Board of Executives	301	50
Emoluments for the Board of Directors	1,938	1,731
Average number of employees (full-time equivalents)	102	78
Employees at year-end	123	93

Other payments include bonus payments for executives, which amount to up to 10 per cent of the ordinary salary.
The remuneration of the Board of Directors includes the remuneration of the Audit Committee and the Risk Committee.

Note 5 Other external costs

(all figures in DKK thousands)	2010	2009
Administration costs	21,344	15,945
Consultancy costs	5,467	5,202
Other external costs, total	26,811	21,146

Note 6 Financial items

(all figures in DKK thousands)	2010	2009
Financial income		
Interest income from financial fixed assets	12,408	29,621
Interest income from accounts receivable	49,377	57,496
Interest income from liquid resources and securities	32,990	72,846
Exchange rate adjustment	3,139	6
Total financial income	97,915	159,969
Financial expenses		
Interest expenses	-50,119	-16,975
Exchange rate adjustment	-3,158	0
Total financial expenses	-53,277	-16,975
Total financial items	44,637	142,994

In 2010 the Company has concluded agreements (swaps) to hedge the interest rates on a large proportion of the Company's future interest expenses. The interest expenses primarily concern these swap agreements.

Note 7 Construction of the Metro and Cityringen

(all figures in DKK thousands)	Metro in Operation	Cityringen	Total
ACQUISITION SUM			
Start of year	7,373	860,184	867,557
Net additions for the year	13,609	593,554	607,164
Carried forward to Metro in Operation	-742	0	-742
End of year	20,240	1,453,739	1,473,978
WRITE-DOWNS AND REVALUATIONS			
Start of year	0	-860,184	-860,184
Revaluations for the year	0	0	0
Write-downs for the year	0	-593,554	-593,554
End of year	0	-1,453,739	-1,453,739
Start book value	7,373	0	7,373
End book value	20,240	0	20,240

Metro in Operation includes the costs of the implementation of electronic ticket systems of DKK 14 million. Write-down for the year on Cityringen is due to the recoverable value being lower than the net book value.

Note 8 Metro in Operation

(all figures in DKK thousands)

	Tunnel and shell of underground stations	Other fixed facilities	Rolling stock, etc.	Other technical installations	Total
ACQUISITION SUM					
Start of year	2,475,581	1,447,696	1,368,341	424,891	5,716,510
Net additions for the year	12,038	6,638	7,557	3,242	29,475
Transferred from Construction of the Metro	0	0	0	742	742
End of year	2,487,619	1,454,334	1,375,899	428,876	5,746,727
WRITE-DOWNS AND DEPRECIATION					
Start of year	-76,945	-91,951	-191,486	-174,114	-534,496
Depreciation for the year	-26,309	-31,903	-66,299	-64,221	-188,733
Write-downs for the year	0	0	0	0	0
End of year	-103,254	-123,855	-257,785	-238,335	-723,229
Start book value	2,398,637	1,355,745	1,176,855	250,777	5,182,014
End book value	2,384,365	1,330,479	1,118,113	190,540	5,023,499

Note 9 Buildings, operating equipment and fixtures and fittings

(all figures in DKK thousands)

	Operating equipment and fixtures and fittings	Temporary office buildings	Total
ACQUISITION SUM			
Start of year	309	70,341	70,650
Net additions for the year	0	61	61
End of year	309	70,402	70,711
Depreciation			
Start of year	-180	-6,584	-6,764
Depreciation for the year	-43	-4,640	-4,683
End of year	-223	-11,225	-11,447
Start book value	129	63,757	63,886
End book value	86	59,177	59,263

Depreciation will be implemented linearly over the expected useful life of the assets.

Note 10 Participating interests

(all figures in DKK thousands)	Rejsekort A/S	Rejseplanen A/S	Total
Start of year	16,990	328	17,318
Additions for the year	0	0	0
Disposals for the year	0	0	0
End of year	16,990	328	17,318

The partnership's participating interests have been calculated at cost. The shareholding constitutes less than 10% of the overall share capital in both Rejsekort A/S and Rejseplanen A/S.

Note 11 Accounts receivable, Financial fixed assets

(all figures in DKK thousands)	The City of Frederiksberg	Other account receivable	Total
Start of year	1,012,027	35,590	1,047,617
Additions for the year	12,408	1,016	13,424
Disposals for the year	-53,216	0	-53,216
End of year	971,220	36,606	1,007,826

Other accounts receivable are the corporation's subordinate loan capital in Rejsekort A/S. Receivables from the City of Frederiksberg are reduced by an annual payment from the City of approx. DKK 53 million covering repayment of principle and interest.

Note 12 Financial instruments

(all figures in DKK thousands)	2010	2009
Interest rate swaps	303,145	-55,783
Forward foreign-exchange contracts	502	0
Total financial instruments	303,647	-55,783

The market value of financial instruments is recognised in the Income Statement. As of 31 December 2010 the market value is positive and is included under financial instruments (assets). In 2009, the value of the Company's financial instruments was negative and was thereby included in long-term liabilities.

Note 13 Property

In connection with the construction of Cityringen, the Company has taken over apartments by expropriation. These apartments have been valued at cost price. As of 31 December 2010 the Company has taken over seven apartments.

During its founding, Metroselskabet took over land near the Forum and Fasanvej Stations. In the event of a profit on sale of this land, the City of Frederiksberg is entitled to a share of the profit, cf. separate agreement. The land has been valued at DKK 0.

Note 14 Accounts receivable, current assets

With a view to securing the building contractor reasonable liquidity during the construction period, the partnership has established a liquidity scheme (liquidity bridge). "Accounts receivable" as of 31 December 2009 includes accumulated payments of DKK 839 million.

Accounts receivable also includes VAT receivable of DKK 31 million. Accrued interest amounts to DKK 8 million.

Of accounts receivable as of 31 December 2010, DKK 1,522 million falls due for payment later than 31 December 2011.

Note 15 Securities and liquid resources

(all figures in DKK thousands)

	2010	2009
Securities over 3 months	325,227	1,151,177
Other securities, total	325,227	1,151,177
Cash and bank deposits	11	19
Fixed-term deposits	1,050,031	650,816
Securities under 3 months	0	0
Total liquid resources	1,050,042	650,835

Note 16 Equity

	Contribution in existing Metro	Owner contribution	Retained earnings before market value adjustment	Market value adjustment	Total
(all figures in DKK thousands)					
Start of year	660,857	9,590,000	-857,540	20,022	9,413,339
Additions for the year	0	0	-631,672	357,695	-273,977
End of year	660,857	9,590,000	-1,489,212	377,717	9,139,362

Note 17 Other debts

(all figures in DKK thousands)	2010	2009
Outstanding PAYE tax	93	1,797
Outstanding holiday pay	9,108	7,392
Costs payable	179,088	86,699
Total other debts	188,288	95,888

DKK 45 million of costs payable relate to periodic interest payments.

Note 18 Contractual commitments and contingent liabilities

Contractual obligations	
Metro under construction, Cityringen (contracts in progress in DKK million)	522
Metro in Operation (contracts in progress in DKK million)	23
	545

The current ongoing contracts with contractors concerning the Metro have a total residual value of DKK 545 million. In January 2011, the Company has established contracts with contractors concerning Cityringen for a total value of DKK 16,392 million.

For the purpose of operation of the Metro until December 2015 a contract has furthermore been concluded for a total residual value of DKK 1,503 million.

In addition to the contract payments there will be the opportunity for incentive payments.

Note 18 Contractual obligations and contingent liabilities – continued

Contingent liabilities

The major engineering contractor for stages 1 and 2A of the Metro, COMET, has lodged a claim for additional payment of approximately DKK 2 billion in connection with the contractor's final settlement. The claim relates to the years 1999 and thereafter and therefore concerns a period when the construction work proceeded without any major problems. After having reviewed the claims, the Company has informed COMET that these claims must essentially be rejected on the existing basis. COMET has subsequently lodged a claim for arbitration. According to the applicable timetable established by the Arbitration Body, a ruling on the case is expected in 2012.

The engineering contractor for stage 3 of the Metro, Hoffmann/Arkil-Novejfa, has lodged a claim against Metroselskabet for additional payment of approximately DKK 81 million in connection with the contractor's final settlement. After having reviewed the claims, the Company has informed the contractor that these claims must essentially be rejected. The contractor has subsequently lodged a claim for arbitration, and a ruling on the case is expected in 2011.

The construction of the Metro entails compulsory purchases, etc., for which the partnership pays compensation to the owners concerned. The amount of future compensation has not yet been determined.

In connection with the invitation to tender for Cityringen the process has been brought before Klagenævnet for Udbud (the Tender Appeals Board). The Company has not made any provision as the case is not expected to impose significant costs on the Company. The ruling of the Appeals Board is expected at the end of 2011.

Note 19 Auditing and consultancy fees

(all figures in DKK thousands)

	2010	2009
Rigsrevisionen (the Audit of the State Accounts)	416	350
BDO Kommunernes Revision A/S	350	300
Deloitte	416	350
Auditors' fees, total	1,182	1,000
Other services (Deloitte)	168	1,326
Total consulting fees	168	1,326

Note 20 Related parties

Transactions between related parties and Metroselskabet I/S for the period:

The partnership's owners have paid owner contributions as repayments, cf. note 11

The partnership's Board of Executives have received payment in the form of salaries and pension, cf. note 4

The partnership's Board of Directors have received payment in the form of Directors' fees, cf. note 4

Other than this, no transactions have been conducted with the partnership's related parties during the course of the year.

Note 21 Currency, interest-rate and credit risk

Net financial fixed assets

(all figures in DKK thousands)	Nominal value	Market value	Market value
	2010	2010	2009
Securities and fixed-term deposits	1,375,000	1,375,258	1,801,993
Loans	0	0	0
Financial instruments	0	303,647	-55,783
Accrued interest, securities and fixed-term deposits	0	1,880	29,585
Accrued interest, financial instruments	0	-39,664	-27,340
Net assets, total	1,375,000	1,641,121	1,748,455

CURRENCY RISK

Currency distribution, net assets (DKK million), market value

	Securities and fixed-term deposits	Financial instruments	Net position
DKK < 1 year	1,377	-745	632
DKK > 1 year	0	0	0
EUR < 1 year	0	745	745
EUR > 1 year	0	264	264
Total	1,377	264	1,641

The partnership has made liquidity investments in banks and purchased bonds. The liquidity investments have been made in Danish kroner.

The Company has furthermore entered into interest rate swaps in EUR in connection with the hedging of the Company's interest rates.

Note 21 Currency, interest rate and credit risk – continued

INTEREST RATE RISK

Interest rate fixing as of 31 December 2010 (DKK million), market value

	DKK	EUR	Total
Period			
0 – 1 year	632	745	1,377
1 – 5 years	0	0	0
5 – 10 years	0	0	0
10 – 20 years	0	57	57
> 20 years	0	207	207
Total	632	1,009	1,641

CREDIT RISK

Liquidity investments and the use of financial instruments involve a credit risk on the counterparty. This risk is managed and monitored continuously via a special line and limit system which establishes the principles for specification of these risks, as well as a maximum for the risks that are acceptable for an individual counterparty. The latter is measured by the international rating agencies (Moody's, Standard & Poor's and Fitch/IBCA). The Company also seeks to reduce credit risks by using appropriate agreement documentation.

Credit risk distributed by rating category, as of 31 December 2010

	Securities and fixed-term deposits	Financial instruments	Total
Total counterparty exposure (DKK million), market value			
AAA	0	0	0
AA	701	123	824
A	676	141	817
Total	1,377	264	1,641



METROSELSKABET'S BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

The Board of Directors of Metroselskabet

Henning Christophersen
(Chairman of the Board of Directors)
Appointed by the Danish Government
Former Minister and EU Commissioner

Other offices held:

- Senior Partner, KreaB A/B
- Chairman of The European Institute of Public Administration

Jesper Christensen
(Vice Chairman)
Appointed by the City of Copenhagen
First Vice Chairman of the City Council
of Copenhagen

Other offices held:

- Member of the Finance Committee of the City of Copenhagen
- Member of the Children and Youth Committee of the City of Copenhagen
- Member of the Distribution Board concerning the municipal elements of corporate taxes
- Chairman of the Board of the City of Copenhagen's Youth College,
- Chairman of the Board of Directors of the residential institution Hjulmagerstien
- Member of the Board of Directors of the College Board of Tingbjerg Hall of Residence,

- Member of the Board of Directors of TKs Ungdomsgård
- Member of the Board of Directors of Det Kgl. Opfostringshus and Den Thorupske Stiftelse
- Member of the Board of Directors of Ørestad Gymnasium (Upper Secondary College)
- Treasurer of the European Association of Cities, Institutions and Second Chance Schools

Jørgen Glenthøj
(Vice Chairman)
Appointed by the City of Frederiksberg
Mayor of the City of Frederiksberg

Other offices held:

- Chairman of Frederiksberg Energi A/S
- Board member of R98
- Board member of the National Association of Local Authorities in Denmark (chairmanship and local authority contact committee for the Copenhagen area)
- Board member of the Zoological Gardens
- Board member of the Øresund Committee
- Board member of the Wonderful Copenhagen Foundation
- Board member of the Chamber of Commerce of the City of Frederiksberg,

- Member of the Board of Directors and of the Board of Representatives of Movia
- Member of the Technical and Environmental Committee of the National Association of Local Authorities in Denmark

Birgit Aagaard-Svendsen
Appointed by the Danish Government
Director of J. Lauritzen A/S and Landlov Aps

Other offices held:

- Chairman or board member of a number of subsidiaries of J. Lauritzen A/S
- Board member of Danske Bank A/S (until 29 March 2011)
- Board member of FUHU, Foreningen til Unge Handelsmænds Uddannelse
- Board member of The West of England Ship Owners Mutual Insurance Association (Luxembourg)
- Board member of The West of England Services S.A. (Luxembourg)

Hans Jensen
Appointed by the Danish Government
Former Chairman of LO (The Danish Confederation of Trade Unions)

Other offices held:

- Board member of Panda VVS
- Board member of Arken Museum of Modern Art

- Board member of L.D. Invest
- Board member of Refhaleøen property company
- Vice Chairman of the Board of Dansk Erhvervsinvestering
- Member of the Board of Directors of Danmarks Nationalbank
- President of Dansk Folkeferie

Ayfer Baykal

Appointed by the City of Copenhagen

Member of the City Council of Copenhagen

Other offices held:

- Board member of Movia
- Member of the Finance Committee (Økonomiudvalget)
- Member of the Culture and Leisure Committee (Kultur- og Fritidsudvalget)
- Member of the Copenhagen Integration Council
- Vice Chairman of the Migrant Women's Centre on Nørrebro
- Vice Chairman of Loftsrante Eksperter (Association)
- Member of the DGI Political Forum

Birthe Skaarup

Appointed by the City of Copenhagen

Member of the City Council of Copenhagen

Other offices held:

- Member of the Leisure and Culture Committee
- Member of the Health and Care Committee
- Regional member of the Danish Cancer Society in the Capital Region
- Board member of ViFAB (Knowledge and Research Center for Alternative Medicine)

Jens H. Gravgaard

Elected by the employees

Project Manager

Other offices held:

- Board member of the Danish Society for Tunnel and Underground Works

Bente G. Rønnebæk

Elected by the employees

Bookkeeper

Board of Executives of Metroselskabet

Board of Executives of Metroselskabet

Henrik Plougmann Olsen

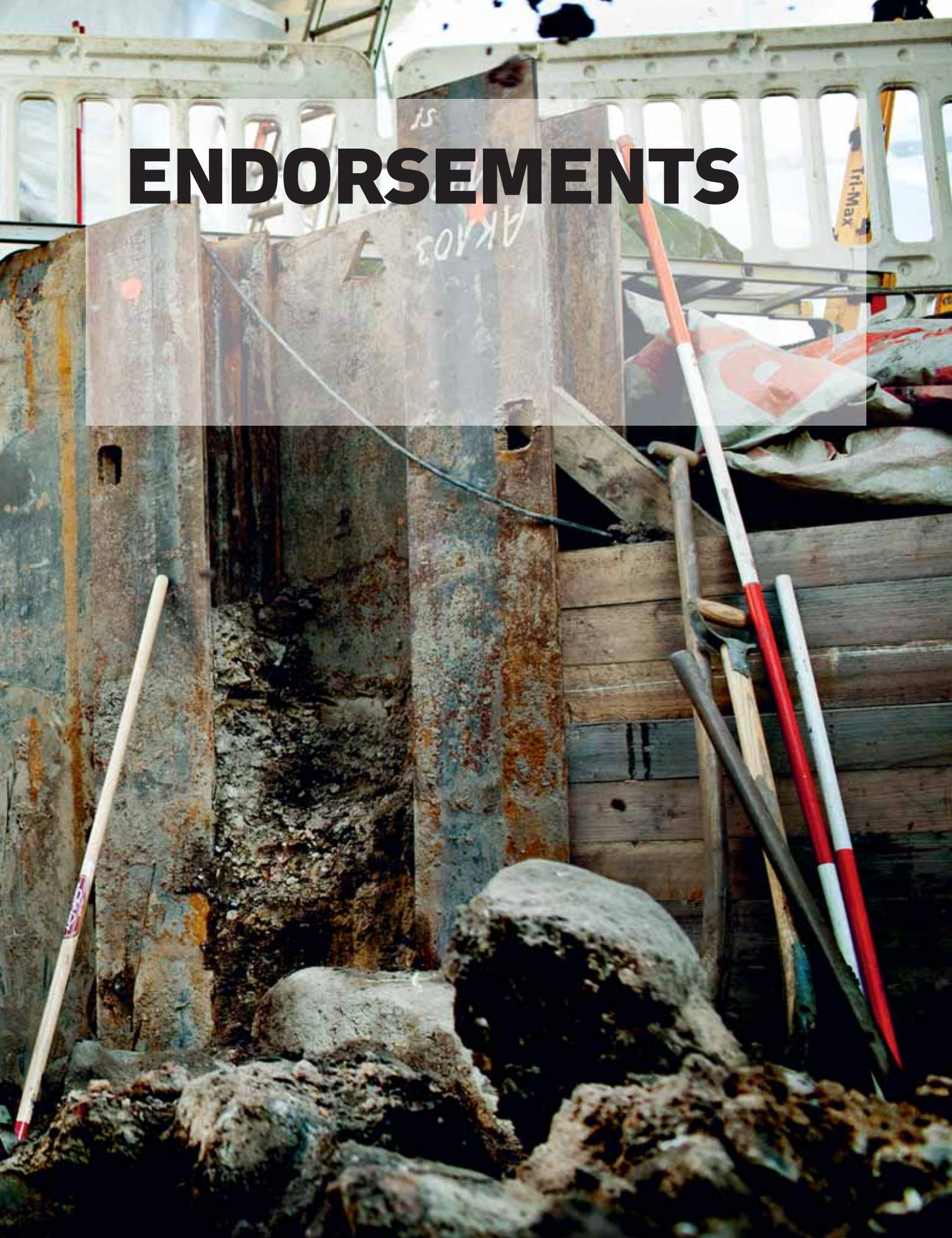
Managing Director

Other offices held:

- Board member of Rejsekort A/S



ENDORSEMENTS



MANAGEMENT ENDORSEMENT

The Board of Directors and the Board of Executives have today examined and approved the Annual Report for 2010 for Metroselskabet I/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act (accounting class D), Danish accounting standards and the provisions of the partnership agreement on the presentation of financial statements. It is our opinion that the accounting policies applied are appropriate, and that the financial statements give a true and fair view of the Company's assets, liabilities, financial position, profit and cash flows. It is also our opinion that the Directors' Report provides a true and fair account of the circumstances covered by the review.

We recommend the adoption of the Annual Report by the partners.

Copenhagen, 14.04 2011

BOARD OF EXECUTIVES

Henrik Plougmann Olsen

BOARD OF DIRECTORS

Henning Christophersen (Chairman)

Jesper Christensen (Vice Chairman)

Jørgen Glenthøj (Vice Chairman)

Birgit Aagaard-Svendsen

Hans Jensen

Ayfer Baykal

Birthe Skaarup

Jens H. Gravgaard

Bente G. Rønnebæk

THE INDEPENDENT AUDITORS' REPORT

To the partners of the Metro Development Corporation

REPORT OF FINANCIAL STATEMENTS

We have audited the financial statements of the Metro Development Corporation for the financial year 1 January – 31 December 2010, which comprise accounting policies, income statement, balance sheet, cash flow statement, statement of changes in equity and notes. The financial statements have been prepared in accordance with the terms of the partnership agreement between the Danish Government, the City of Copenhagen and the City of Frederiksberg on the Metro Development Corporation, the Danish Financial Statements Act and the Danish Accounting Standards.

BOARD OF DIRECTORS AND BOARD OF EXECUTIVES RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board of Directors and Board of Executives are responsible for the presentation and preparation of the financial statements that give a true and fair view in accordance with the terms of the partnership agreement between the Danish Government, the City of Copenhagen and the City of Frederiksberg on the Metro Development Corporation, the Danish Financial Statements Act and the Danish Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to presentation and preparation of financial statements to give a true and fair view, free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, the Board of Directors and Board of Executives are responsible that the operations covered by the financial statements comply with legislation and other rules and regulations as well as with current agreements and usual practice.

AUDITOR'S RESPONSIBILITY AND BASIS OF OPINION

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Danish Standards of Auditing and generally accepted public auditing practice, cf. the Danish Auditor General's Act on the Audit of State Accounts, etc. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal controls relevant to the Metro Development Corporation's presentation and preparation of the 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 Metro Development Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and Board of Executives as well as evaluating the overall presentation of the financial statements. The audit also comprises an assessment of whether business procedures and internal controls have been established to support that the operations covered by the financial

statements comply with legislation and other rules and regulations as well as with current agreements and usual practice.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

OPINION

In our opinion the financial statements give a true and fair view of the Metro Development Corporation's assets, liabilities and financial position at 31 December 2010 and of the results of the Metro Development Corporation's operations and cash flow for the financial year 1 January – 31 December 2010 in accordance with the terms of the partnership agreement between the Danish Government, the City of Copenhagen and the City of Frederiksberg on the Metro Development Corporation, the Danish Financial Statements Act and Danish Accounting Standards. It is also our opinion that the business procedures and internal controls have been established to ensure to the widest extent possible that the operations covered by the financial statements comply with legislation and other rules and regulations as well as with current agreements and usual practice.

EMPHASIS OF MATTER

The primary contractors of the partnership for stage 1 and 2 of the Metro have lodged claims for additional payment. We refer to the comments in note 18 in the financial statements about the arbitration proceeding. We agree with the comments made by the Board of Directors and the Board of Executives.

STATEMENT ON THE MANagements REVIEW

The Board of Directors and the Board of Executives are responsible for the preparation of a management's review that gives a fair review in accordance with the Danish Financial Statements Act.

Our audit has not included the management's review, but 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 financial statements.

On this basis, it is our opinion that the information given in the Management's review is consistent with the financial statements.

AUDITOR'S REPORT ON PERFORMANCE AUDIT

In connection with the financial audit of the Metro Development Corporation's financial statements and the management review for the financial year 1. January – 31 December 2010, we reviewed selected areas to establish whether sound financial considerations have been taken into account when administering

the Metro Development Corporation, and to establish whether the information in the Annual Report and the management review on objectives and performance has been documented and covers the Metro Development Corporation's activities in 2010.

BOARD OF DIRECTORS AND BOARD OF EXECUTIVES RESPONSIBILITY

The Board of Directors and Board of Executives of the Metro Development Corporation are responsible for establishing guidelines and procedures that ensure that appropriate financial considerations are taken into account when administering the Metro Development Corporation, and that the information in the Annual Report and the management review on objectives and performance has been documented and covers the Metro Development Corporation's activities in 2010.

AUDITOR'S RESPONSIBILITY AND THE PERFORMANCE AUDIT

In accordance with generally accepted public auditing practice, cf. the Danish Auditor General's Act on the Audit of State Accounts, etc., we have reviewed selected administrative areas to establish

whether the Metro Development Corporation has established business procedures to support efficient administration. Our audit included, on a test basis, a review of the Metro Development Corporation information in the Annual Report and the management review on objectives and performance. Our audit has been conducted for the purpose of obtaining limited assurance that the administration of the selected areas is handled in a financially appropriate manner, and that the information in the Annual Report and the management review on objectives and performance is documented and covers the Metro Development Corporation's activities in 2010.

OPINION

During our performance audit nothing has come to our attention to cause us to believe that the administration for the financial year 1. January – 31 December 2010 in the areas which we have examined has not been handled in a financial appropriate manner, or that the information in the Annual Report and the management review on objectives and performance is not documented and covers the Metro Development Corporation's activities in 2010.

Copenhagen, 14 April 2011

Rigsrevisionen (the Audit of the State Accounts)

Deloitte

Henrik Otbo, Auditor-General

Lynge Skovgaard, State-Authorised Public Accountant

/Anne Aagaard, Director

/John Menå, State-Authorised Public Accountant

BDO Kommunernes Revision A/S
(approved auditing company)

Lasse Jensen, State-Authorised Public Accountant

APPENDIX



LONG-TERM BUDGET 2011 FOR METROSELSKABET I/S

LONG-TERM BUDGET ASSUMPTIONS

The long-term budget is stated in current prices:

Passenger figures and fares

1. The passenger figures are determined on the basis of the passenger forecast based on the most recently updated traffic model. For Cityringen, the number of passengers budgeted in 2019 is 44 million, increasing to 69 million passengers in 2023. For the Metro's stages 1-3 the number of passengers budgeted in 2012 is 55 million, increasing to 61 million passengers in 2018.

2. The basis for the fare assumptions is the price per new passenger, based on the Order on the distribution of ticket revenue in Greater Copenhagen. These fare assumptions have been adjusted to 2011 prices based on the realised development in fares during the period, and furthermore adjusted in accordance with the latest actual passenger breakdown. The fare per new passenger has been budgeted at DKK 11.42 in 2011. A real increase in fares by 13 per cent in the period 2009-2018, and by 15 per cent in the period 2018-2030, is assumed - equivalent to the assumptions in the government's convergence programme. These

assumptions are applied to the calculation assumptions in the updated passenger forecast.

Operation and construction costs

3. The operating costs for stages 1-3 are estimated on the basis of the Company's costs after the new invitation to tender for the operation and maintenance activities. For Cityringen, the basis is the tenders received for the transport system contract. As the assumed real increase in fares is from experience assessed to have a partial impact on the index adjustment of the Metro operating costs, a real increase in the operating costs equivalent to approximately 50 per cent of the assumed real increase in fares is budgeted.

In the period 2011-2018, the budgeted commissioning expenses for Cityringen total DKK 374 million in 2011 prices. In 2018 the budgeted expenses for Trial run of Cityringen will total DKK 132 million in 2011 prices.

4. The construction costs for Cityringen have been determined on the basis of the tenders received for the transport system contract and the civil works contract. The total construction costs are estimated at DKK 21.3 billion in

2010 prices (DKK 21.5 billion in 2011 prices). The conversion of the remaining budget from 2010 prices to the current price level is based on the construction index of the Danish Finance Act.

5. The reinvestments in connection with Cityringen are based on the assumptions in the agreement of principle and comprise DKK 239 million every tenth year, DKK 1,078 million every 25th year, and after 50 subsequent years DKK 479 million, in 2011 prices. The conversion from 2010 prices to the current price level is based on the construction index of the Danish Finance Act.

6. Reinvestments in connection with stages 1-3 every tenth year of DKK 279 million in 2011 prices are assumed. In accordance with the partnership agreement, reinvestment in trains, tunnels and stations has not been included.

Other factors

7. No extraordinary payments are recognised as a consequence of settlement of the arbitration case raised by COMET (stages 1-3).

8. The debt of the engineering contractor (stages 1-3) to Metroselekskabet in the form of the liquidity bridge established is assumed to

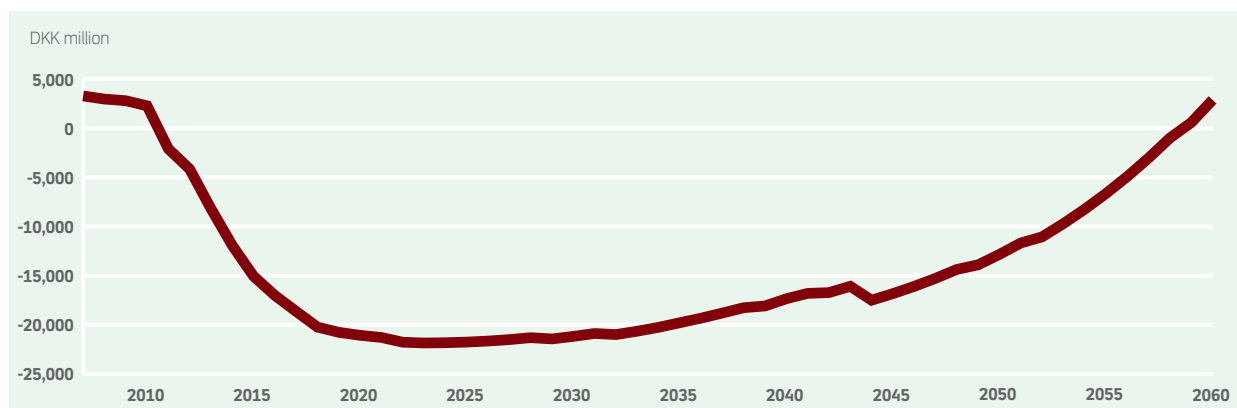
be paid when the arbitration case raised by COMET is concluded (expected in 2012), as was also assumed by the owners on the establishment of the Company.

9. The Metro is registered for Danish VAT purposes, so that VAT is deducted from the Company's revenue from operation of the Metro, while VAT expenses for construction of the Metro are deducted.
10. It is assumed that "other debt", which does not accrue interest, increases to approximately DKK 600 million when the construction works peak, after which it falls to approximately DKK 100 million.
11. It is assumed that surplus liquidity accrues interest at a real interest rate of 2 per cent p.a. On accrual of interest on the debt account is taken of the agreements on hedging of interest rates concluded by the Company. Debt in addition to the interest-rate hedging accrues interest at a real interest rate of 4 per cent p.a. In the short term, the Company's actual interest-rate expectations are also taken into account.
12. It is assumed that as from 2011 all prices increase by 2 per cent p.a.

(DKK million)

Real interest rate, debt	4%
Inflation	2%
Real interest rate, deposits:	2%
Cityringen construction costs (2010 price level)	21.323

Liquidity – current prices



Note: The development in the curve in the period 2043-2044 is due to reinvestments in Cityringen.

(current prices)

Year	Phases 1 - 3		Cityringen					Operating profit				Liquidity impact	Interest rate	Interest	Trans-action	Cash, start of year	Cash, end of year
	Accounts receivable	Other debt	Invest-ments	Reinvest-ments	Invest-ments	Reinvest-ments	Index ad-justment	Phases 1 - 3 Income	Phases 1 - 3 Expenses	Cityringen Income	Cityringen Expenses						
1/1/2007	1,268	105			-4												-1,402
2007	4,842	75	-172	0	-62	0	0	380	-354	0	0	4,708	5%	-17	4,691	-1,402	3,288
2008	58	-142	-53	0	-390	0	0	501	-444	0	0	-469	5%	152	-317	3,288	2,971
2009		102	-44	0	-404	0	0	530	-464	0	0	-280	4%	114	-166	2,971	2,805
2010		160	-55	-8	-681	0	0	564	-502	0	0	-522	4%	5	-517	2,805	2,288
2011		74	-43	-55	-4,337	0	-48	601	-447	0	-20	-4,276	4%	-103	-4,379	2,288	-2,091
2012	1,268	74	-22	-80	-3,601	0	-40	638	-451	0	-21	-2,235	6%	171	-2,064	-2,091	-4,155
2013		74	0	-29	-3,977	0	-44	682	-469	0	-32	-3,795	6%	-239	-4,034	-4,155	-8,188
2014		74	0	-19	-3,460	0	-38	715	-485	0	-32	-3,245	6%	-492	-3,737	-8,188	-11,925
2015		-98	0	-21	-2,505	0	-28	744	-492	0	-55	-2,455	6%	-680	-3,135	-11,925	-15,060
2016		-98	0	-24	-1,309	0	-14	781	-508	0	-56	-1,228	6%	-726	-1,955	-15,060	-17,015
2017		-98	0	-20	-882	0	-10	814	-524	0	-80	-800	6%	-885	-1,630	-17,015	-18,645
2018		-98	0	-19	-629	0	-7	850	-540	0	-267	-711	6%	-885	-1,596	-20,241	-20,241
2019		-98	0	-20	0	0	0	898	-560	645	-473	393	6%	-922	-530	-20,241	-20,770
2020			0	0	0	0	0	923	-575	808	-515	641	6%	-946	-305	-20,770	-21,075
2021			0	0	0	0	0	950	-590	931	-549	741	6%	-960	-219	-21,075	-21,294
2022			0	-347	0	0	0	978	-606	1,060	-585	500	6%	-980	-480	-21,294	-21,774
2023			0	0	0	0	0	1,007	-623	1,144	-612	917	6%	-995	-79	-21,774	-21,853
2024			0	0	0	0	0	1,037	-603	1,178	-590	1,023	6%	-996	27	-21,853	-21,826
2025			0	0	0	0	0	1,069	-619	1,214	-607	1,057	6%	-992	65	-21,826	-21,761
2026			0	0	0	0	0	1,101	-636	1,250	-624	1,091	6%	-986	105	-21,761	-21,657
2027			0	0	0	0	0	1,133	-653	1,287	-641	1,126	6%	-978	148	-21,657	-21,509
2028			0	0	0	0	0	1,168	-671	1,325	-659	1,163	6%	-967	197	-21,509	-21,312
2029			0	0	0	-338	-4	1,202	-689	1,364	-677	858	6%	-987	-129	-21,312	-21,441
2030			0	0	0	0	0	1,237	-707	1,404	-696	1,238	6%	-982	256	-21,441	-21,185
2031			0	0	0	0	0	1,262	-722	1,432	-710	1,263	6%	-965	298	-21,185	-20,887
2032			0	-423	0	0	0	1,287	-736	1,461	-724	865	6%	-977	-112	-20,887	-20,999
2033			0	0	0	0	0	1,313	-751	1,490	-738	1,314	6%	-970	344	-20,999	-20,655
2034			0	0	0	0	0	1,339	-766	1,520	-753	1,340	6%	-948	392	-20,655	-20,263
2035			0	0	0	0	0	1,366	-781	1,550	-768	1,367	6%	-896	471	-20,263	-19,792
2036			0	0	0	0	0	1,393	-797	1,581	-784	1,394	6%	-929	465	-19,792	-19,326
2037			0	0	0	0	0	1,421	-813	1,613	-799	1,422	6%	-900	522	-19,326	-18,804
2038			0	0	0	0	0	1,449	-829	1,645	-815	1,451	6%	-908	542	-18,804	-18,262
2039			0	0	0	-412	-5	1,478	-845	1,678	-832	1,063	6%	-887	175	-18,262	-18,086
2040			0	0	0	0	0	1,508	-862	1,712	-848	1,509	6%	-771	738	-18,086	-17,349
2041			0	0	0	0	0	1,538	-880	1,746	-865	1,539	6%	-995	544	-17,349	-16,805
2042			0	-516	0	0	0	1,569	-897	1,781	-882	1,055	6%	-977	77	-16,805	-16,727
2043			0	0	0	0	0	1,600	-915	1,817	-900	1,602	6%	-956	645	-16,727	-16,082
2044			0	0	0	-2,049	-23	1,632	-933	1,853	-918	-438	6%	-978	-1,416	-16,082	-17,498
2045			0	0	0	0	0	1,665	-952	1,890	-936	1,666	6%	-1,001	666	-17,498	-16,832
2046			0	0	0	0	0	1,698	-971	1,928	-955	1,700	6%	-960	740	-16,832	-16,092
2047			0	0	0	0	0	1,732	-991	1,966	-974	1,734	6%	-914	819	-16,092	-15,273
2048			0	0	0	0	0	1,767	-1,010	2,006	-994	1,768	6%	-864	904	-15,273	-14,369
2049			0	0	0	-503	-6	1,802	-1,031	2,046	-1,014	1,295	6%	-824	472	-14,369	-13,897
2050			0	0	0	0	0	1,838	-1,051	2,087	-1,034	1,840	6%	-779	1,060	-13,897	-12,837
2051			0	0	0	0	0	1,875	-1,072	2,128	-1,055	1,876	6%	-715	1,162	-12,837	-11,676
2052			0	-628	0	0	0	1,912	-1,094	2,171	-1,076	1,286	6%	-663	623	-11,676	-11,053
2053			0	0	0	0	0	1,951	-1,116	2,214	-1,097	1,952	6%	-605	1,347	-11,053	-9,706
2054			0	0	0	0	0	1,990	-1,138	2,259	-1,119	1,991	6%	-523	1,468	-9,706	-8,238
2055			0	0	0	0	0	2,029	-1,161	2,304	-1,141	2,031	6%	-434	1,597	-8,238	-6,641
2056			0	0	0	0	0	2,070	-1,184	2,350	-1,164	2,072	6%	-337	1,734	-6,641	-4,907
2057			0	0	0	0	0	2,111	-1,207	2,397	-1,188	2,113	6%	-232	1,881	-4,907	-3,026
2058			0	0	0	0	0	2,154	-1,232	2,445	-1,211	2,155	6%	-118	2,038	-3,026	-988
2059			0	0	0	-613	-7	2,197	-1,256	2,494	-1,236	1,579	6%	-13	1,566	-988	578
2060			0	0	0	0	0	2,241	-1,281	2,544	-1,260	2,242	4%	68	2,310	578	2,889

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