

Edgar Filing: EUROTUST A/S - Form 20-F

EUROTUST A/S  
Form 20-F  
December 29, 2006

As filed with the Securities and Exchange Commission on December 29, 2006

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES  
EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the fiscal year ended June 30, 2006

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Date of event requiring this shell company report .....

Commission File No.: 0-30690

EUROTUST A/S  
(Exact name of Company as specified in its charter)

EUROTUST A/S  
(Translation of Company's  
name into English)

THE KINGDOM OF DENMARK  
(Jurisdiction of incorporation  
or organization)

KOHHOLM 3,  
DK 6000 KOLDING DENMARK  
(Address of principal executive offices)

Securities registered or to be  
registered pursuant to Section 12(b)  
of the Act: None

Securities registered or to be  
registered pursuant to Section 12(g)  
of the Act: None

Securities for which there is a  
reporting obligation pursuant to  
Section 15(d) of the Act: American Depositary Shares, each  
representing one ordinary share, nominal  
value DKK 7.50 per ordinary share.

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Indicate the number of outstanding shares of each of the Company's classes of capital or common stock as of close of the period covered by the annual report (June 30, 2006):

Ordinary shares	33,342,760
American Depositary Shares	28,680,886

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

YES ☐ NO ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES ☒ NO ☐

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark which financial statement item the Registrant has elected to follow

Item 17 ☐ Item 18 ☒

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES ☐ NO ☒

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### EXCHANGE RATE INFORMATION

In this annual report, unless otherwise specified or unless the context otherwise requires, all references to "\$" or "dollars" are to U.S. dollars and all references to "DKK" are to Danish kroner. We have converted DKK amounts as of June 30, 2006 into U.S. dollars at an exchange rate of \$1.00 = DKK 5.8674, which was the noon buying rate on June 30, 2006, the last business day of the fiscal year. We do not make any representation that the Danish kroner amounts could have been, or could be, converted into U.S. dollars at that rate on June 30, 2006, or at any other rate.

Unless specifically indicated or the context clearly indicates otherwise all references to our ordinary shares shall include our American Depositary Shares (ADSs) and vice-versa.

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WE USE THE TERMS "WE", "OUR", "US", EUROTRUST" AND "THE COMPANY" TO MEAN EUROTRUST A/S AND ITS SUBSIDIARIES AND THEIR RESPECTIVE PREDECESSORS.

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AS NO INDEPENDENT SOURCES OF INDUSTRY DATA ARE AVAILABLE, INDUSTRY DATA CONTAINED HEREIN, INCLUDING MARKET SIZE DATA, ARE BASED ON OUR ESTIMATES WHICH ARE DERIVED FROM INTERNAL MARKET STUDIES AND MANAGEMENT CALCULATIONS.

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### DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 20-F contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 regarding our plans and objectives and future operations. Forward-looking statements attempt to predict future occurrences and are identified by words like "believe," "may," "intend," "will," "expect," "anticipate," "estimate" or "continue," or other comparable terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The forward-looking statements included in this report are based on current expectations that involve numerous risks and uncertainties. Our plans and objectives are based, in part, on assumptions involving judgments about, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Although we believe that our assumptions underlying the forward-looking statements are reasonable, any of these assumptions could prove inaccurate and, therefore, we cannot assure you that the forward-looking statements included in this report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included in this report, you should not assume, and we cannot assure you, that we can achieve our objectives or implement our plans. Such statements speak only as of the date hereof and are subject to change. We undertake no obligation to revise or update publicly any forward-looking statements for any reason. Factors that could cause our actual results to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, (a) economic and other factors that could affect the development and sales of properties such as (i) a downturn in the housing market in Denmark or Norway, (ii) delays in obtaining necessary governmental permits and approvals, and (iii) delays in the construction of housing units; (b) factors that could impact the development and sale of wind energy such as (i) the availability of wind energy turbines for the development of new wind farms, (ii) the market price of electricity, and (iii) the amount of wind in any year; (c) the potential unforeseen impact of offerings from competitors; (d) our ability to raise additional capital to finance our growth aspirations; (e) our ability to control costs and expenses; and (f) general economic political and labor conditions, as well as the factors set forth under

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the headings "Key Information - Risk Factors" (Item 4.C), "Information on the Company" (Item 4) and "Operating and Financial Review and Prospects" (Item 5).

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

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Not required because this Form 20-F is filed as an Annual Report.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not required because this Form 20-F is filed as an Annual Report.

### ITEM 3. KEY INFORMATION

#### A. SELECTED FINANCIAL DATA

The selected consolidated financial data presented below as of June 30, 2004, 2005 and 2006 and for the years then ended have been taken or are derived from our audited consolidated financial statements for those periods. The selected consolidated financial data have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP").

On May 19, 2005 our shareholders approved a one for six reverse split of our ordinary shares such that six ordinary shares nominal value DKK 1.25 were combined into one ordinary share nominal value DKK 7.50 ("New Ordinary Shares"). In lieu of issuing a fraction of a New Ordinary Share, we paid to each holder the value thereof based upon the closing price of an ADS on the NASDAQ Small Cap Market on May 19, 2005. All information contained in this annual report has been presented as if such reverse stock split occurred as of July 1, 2003.

The financial information presented below is only a summary and should be read together with our consolidated financial statements included elsewhere in this report.

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#### CONSOLIDATED STATEMENT OF OPERATIONS DATA:

	YEAR ENDED JUNE 30,			
	2004	2005	2006	2006
	-----	-----	-----	-----
	DKK	DKK	DKK	US\$
	(in thousands, except per share amounts)			
CONSOLIDATED STATEMENT OF OPERATIONS DATA:				
Revenue	295,975	247,333	433,788	73,932
Total operating expenses	266,411	185,416	368,355	62,780
Operating income	29,564	61,917	65,433	11,152
Net (loss) income	17,540	37,099	45,890	7,827
Net (loss) income per average common share, basic	0.80	1.68	1.93	0.33
Net (loss) income per average common share diluted	0.80	1.68	1.93	0.33
Weighted average number of common shares outstanding, basic	22,050	22,050	23,760	23,760
Weighted average number of common shares outstanding diluted	22,050	22,050	23,829	23,829

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	YEAR ENDED JUNE 30,			
	2004	2005	2006	2006
	-----	-----	-----	-----
	DKK	DKK	DKK	US\$
REAL ESTATE DEVELOPMENT:				
Net sales	295,975	247,333	414,588	70,660
	-----	-----	-----	-----
Total operating expenses	266,411	184,506	354,956	60,496
	-----	-----	-----	-----
Operating income (loss)	29,564	62,827	59,632	10,164
	-----	-----	-----	-----
	2004	2005	2006	2006
	-----	-----	-----	-----
	DKK	DKK	DKK	US\$
WIND ENERGY				
Net sales	0	0	19,200	3,272
	-----	-----	-----	-----
Total operating expenses	0	910	13,399	2,283
	-----	-----	-----	-----
Operating income (loss)	0	(910)	5,801	989
	-----	-----	-----	-----

## CONSOLIDATED BALANCE SHEET DATA:

	JUNE, 30			
	(IN THOUSANDS)			
	2004	2005	2006	2006
	-----	-----	-----	-----
	DKK	DKK	DKK	US\$
CONSOLIDATED BALANCE SHEET DATA:				
Total assets	482,180	611,638	2,288,547	390,043
Net assets	26,496	63,550	589,485	100,468
Capital stock	165,375	165,375	250,071	42,620
Working capital	12,407	(110,609)	(506,348)	(86,299)
Number of ordinary shares	22,050	22,050	33,353	33,353

We have never paid any dividends on our ordinary shares.

## EXCHANGE RATE INFORMATION

The exchange rate on December 19, 2006 (the latest practicable date) was DKK 5.6648 per \$1.00. The following table sets forth (i) the average exchange rate for the years ended June 30, 2002, 2003, 2004, 2005 and 2006 calculated using the average exchange rate on the last day of each month of the relevant year and (ii) the high and low exchange rates for each of the most recent six months. (All rates are expressed as Danish kroner per U.S. dollar.)

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AVERAGE	
-----	
YEAR ENDED JUNE 30, :	
-----	
2002	DKK 8.3148
2003	DKK 7.1324
2004	DKK 6.2586
2005	DKK 5.8606
2006	DKK 6.1369
MONTH ENDED:	HIGH
-----	-----
December 2006 (as of December 19, 2006)	DKK 5.6920
November 30, 2006	DKK 5.8706
October 31, 2006	DKK 5.9531
September 30, 2006	DKK 5.8964
August 31, 2006	DKK 5.8663
July 31, 2006	DKK 5.9774

## B. CAPITALIZATION AND INDEBTEDNESS

Not required because this Form 20-F is filed as an Annual Report.

## C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not required because this Form 20-F is filed as an Annual Report.

## ITEM 4. INFORMATION ON THE COMPANY

### A. HISTORY AND DEVELOPMENT

We are a Danish limited company, organized in 1986 under the Danish Act on Limited Companies of the Kingdom of Denmark. Originally, we were organized under the name Telepartner A/S. In 1999 we changed our name to euro909.com A/S and in December 2001 we changed our name to EuroTrust A/S. Our registered office is Kokholm 3, 6000 Kolding, Denmark. Our telephone number is +45 75 50 24 75.

### OUR BUSINESS.

#### HISTORICAL.

Until December 2001, our business operated in three distinct areas: Internet products and services; broadcasting; and print and online media. In 2001, we sold our domain name registration business, the remaining assets of our historical telecommunications business and our print and online media businesses, and consolidated our television programming business. As of January 1, 2004, we sold our secure internet hosting business, our digital video surveillance business and our secure remote back-up business. As a part of these transactions, we will continue to receive royalty payments from future sales of the secure hosting and remote back-up services that we formerly marketed. We sold our PKI services business to on April 1, 2004. We sold the last of our Internet related business, our virus detection software and services business on September 30, 2004.

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As a result of these various transactions, subsequent to September 30, 2004 our business consisted of dk4, a Danish television station and the television production company Prime Vision.

On November 29, 2005, we entered into agreements to acquire all of the capital stock of Aktiv Gruppen Holdings A/S, a Danish company which operates in two distinct lines of business, namely the development and sale of residential real estate projects in Denmark and Norway, and the operation of wind energy farms in Germany. On April 17, 2006 we consummated our acquisition of Aktiv Gruppen. Pursuant to this acquisition, the holders of the shares of the capital stock of Aktiv Gruppen received approximately 70% of the shares of the capital stock of our Company. In accordance with United States generally accepted accounting principles, the acquisition was accounted for as a reverse acquisition (i.e. as if Aktiv Gruppen acquired EuroTrust). Therefore, the pre-acquisition financial statements of Aktiv Gruppen are treated as the historical financial statements of the combined companies. The EuroTrust historical financial statements prior to the acquisition are disregarded. The results of operations of EuroTrust will only be included in the financial results from the date of the acquisition (April 17, 2006). In addition, beginning with the fiscal year ended on June 30, 2006, EuroTrust changed its fiscal year end to June 30, which is the fiscal year end of Aktiv Gruppen.

On May 4, 2006 we entered into an agreement to sell three of our seven mobile television production vans, our Prime Vision brand name and the external customer base of Prime Vision.

Effective April 17, 2006, we completed the sale of our media business by selling all of the outstanding shares of Europe-Visions A/S to Tritel Investment, Inc.

As a result of the sale of Europe-Visions A/S, our business currently consists of our property development operations and our wind energy operations

### B. BUSINESS OVERVIEW

#### DESCRIPTION OF BUSINESS

#### REAL ESTATE DEVELOPMENT

Our real estate development segment, through various wholly owned subsidiaries and corporate joint ventures, primarily develops homeowner condominiums, complexes, single family homes, recreational homes and multi-family rental complexes throughout Denmark and Norway. The development occurs as we: 1) seek out desirable locations for property development, 2) acquire permission for resale of a finalized development project, 3) acquire the land or options to purchase the land, 4) design the project in cooperation with outside architects and engineers, 5) acquire governmental permission to build the project, 6) pre-sell through local real estate agents a minimum number of units, requiring purchasers to sign a binding sales contract and guarantee, 7) construct the properties through outside construction contractors and 8) sell remaining units, if any.

In order to minimize our potential exposure in this area we generally do not begin construction of each stage of the development project until at least 75% of the units to be developed in that stage of the project have been contracted for by purchasers who put down a small deposit and deliver to us a bank guarantee for the remainder of the purchase price.

We sell these units primarily through local real estate agents to whom we pay a commission for each sale.



Generally, if we are unable to obtain contracts for between 50 % and 75% of the units within a designated period of time we will return the deposits and bank guarantees to the prospective purchasers and will not begin construction of the project. Additionally, in these instances if the land on which the project was to be built was not owned by us, but was subject to our option, we will not exercise the option to acquire the land.

Operating under this methodology we generally do not obligate the Company to incur expenditures for a particular project until we have assured ourselves that the revenue to be received in regard to the number of units that have been pre-sold will cover a substantial portion of our expenses associated with the project. Since 2001, we have developed and sold more than 1000 housing units throughout Denmark, including a 175 unit apartment dwelling in Copenhagen, Denmark.

As of December 26, 2006 we have under development, projects to construct approximately 1,400 units in Denmark and 200 units in Norway. We expect to complete construction of these units over the next two years.

We also have options to acquire land and/or own land for the development of approximately 6,000 units in Denmark and 1,400 units in Norway.

We are also developing a 200 bed hotel in Austria which is expected to open by the end of 2007. We will both own and operate this hotel

We also own a 565 square meter office property in K0ge, Denmark which is leased to third parties

#### WIND ENERGY

During 2006 we acquired an additional 19 operating wind turbines located in windparks in Germany. The Company also acquired a 50% equity interest in 13 operating wind turbines in Germany. In June 2005, we acquired six operating wind turbines located in windparks in Germany. The Company also holds a 25% equity interest in an additional wind turbine in Germany, which we acquired the remaining 75% on December 31, 2005. Each respective wind turbine or windpark has entered into 20 year agreements with German electric utilities companies, to sell all of the electricity generated. The agreements have fixed prices. The manufacturers have agreed to operate the windparks at a fixed percentage of revenue. When the wind turbines were purchased the manufacturers guaranteed that they would be in full operation for 97% of each year for the ten years after installation. The Company has leased the land on which the wind parks are located for 20 years with two five year options to extend the lease.

We plan to continue to expand this segment through the development and operation of wind turbine energy parks throughout Europe, where we believe there is a strong consumer and government preference for renewable and alternative non-polluting energy sources, resulting in attractive government subsidies and tax benefits from accelerated depreciation. We expect this political climate to persist in the near future.

In May 2006 we entered into an agreement, which closed July 2, 2006 to acquire a 50.25% interest in European Wind Farms A/S. European Wind Farms is currently developing wind energy farms in Germany, Italy, Poland, Bulgaria,

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Lithuania and France. European Wind Farms current projects will have an installed capacity of approximately 200 megawatts generating approximately 400 million kilowatt hours of electric power on a yearly basis. The wind farms under development are all expected to be operational within two years. European Wind Farms IS in the final stages of negotiations for the project rights to develop additional wind farms with an installed capacity of 300 megawatts.

Wind turbines installed in countries other than Germany will not have government fixed prices and therefore, the amount we receive for the sale of the electricity generated by the wind turbines is subject to the then prevailing market price for electricity. However in these countries when the wind turbine begins operation we will in some of these other countries be given a "green certificate" because the energy we generate is non-polluting. These certificates allow energy companies to create a certain amount of pollution from their energy production and therefore these certificates can be sold to companies that produce energy from sources that are not "non-polluting", such as oil and coal. A market has developed in Europe for the sale of these "green certificates." In determining where and when to put up new wind turbines we will consider both the expected market price of electricity and the value of the "green certificates."

The amounts of electricity that can be generated by a wind turbine is dependent upon the amount of wind at the specific site and therefore before we decide where to establish a wind farm we review existing historical wind studies and, if necessary, commission our own wind measurement study.

### ROYALTIES FROM INTERNET BUSINESSES.

As of January 1, 2004, we sold our secure internet hosting business, our digital video surveillance business and our secure remote back-up business. As a part of these transactions, we will continue to receive royalty payments from future sales of the secure hosting and remote back-up services that we formerly marketed. The royalty payments for our secure hosting business will end as of December 31, 2006. The royalty payments for our remote back up business will continue until December 31, 2010 and are based upon future revenue from this business.

The following tables set out our revenues by category and region for each of the years ended June 30, 2004, 2005 and 2006.

### BREAKDOWN OF REVENUES BY CATEGORY (1)

	2004		2005		2006		
	DKK	PERCENTAGE	DKK	PERCENTAGE	DKK	PERCENTAGE	USD
Real Estate development:	295,975	100%	247,333	100%	414,588	96%	70,66
Wind Energy	--	--	--	--	19,200	4%	3,27
	295,975	100%	247,333	100%	433,788	100%	73,93

### BREAKDOWN OF REVENUES BY GEOGRAPHIC MARKET

### BREAKDOWN OF REVENUES BY GEOGRAPHIC MARKET (1)

2004	2005	2006
------	------	------

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	DKK	%	DKK	%	DKK	%	USD
Denmark	295,975	100%	247,333	100%	412,389	95%	70,285
Norway	--	--	--	--	2,199	1%	375
Germany	--	--	--	--	19,200	4%	3,272
	-----		-----		-----		-----
	295,975	100%	247,333	100%	433,788	100%	73,932
	-----		-----		-----		-----

### SEASONALITY

Our quarterly operating results typically fluctuate with the seasons. Construction of a customer's home typically proceeds after signing the agreement of sale and can require 12 months or more to complete. Weather-related problems may occur in the late winter and early spring, delaying starts or closings or increasing costs and reducing profitability. In addition, delays in opening new communities or new sections of existing communities could have an adverse impact on home sales and revenues. Because of these factors, our quarterly operating results may be uneven and may be marked by lower revenues and earnings in some quarters than in others. In addition, the electricity generated by our wind parks is dependent upon the seasonal nature of the wind velocity in a particular area.

### INTELLECTUAL PROPERTY

We rely primarily on a combination of copyrights, trademarks, service marks, restrictions on disclosure and other methods to protect our intellectual property. We also enter into confidentiality agreements with our employees, consultants and current and potential affiliates, customers and business partners. We also generally control access to and distribution of documentation and other proprietary information.

### COMPETITION

#### REAL ESTATE DEVELOPMENT

We compete with many other developers in Denmark and Norway in the sale of residential housing units. Many of our competitors have greater resources than we do which may enable them to obtain better parcels of land for development. The sale of residential real estate in Denmark and Norway is dependent to a large extent on the location of the development and the purchase price of the unit.

#### WIND ENERGY

We compete with both other wind energy companies as well as companies which generate electricity from other sources both polluting and non-polluting. Most of these companies have far greater resources than us.

### GOVERNMENT REGULATION

#### REAL ESTATE DEVELOPMENT

Our real estate development business is subject to obtaining numerous national and local approvals and licenses in connection with our construction of residential units and to our compliance with various zoning and other

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regulations.

### WIND ENERGY

Our wind energy business is subject to obtaining numerous permits regarding the construction of wind turbines and to various regulations regarding the operation of the wind turbines.

### SALES AND MARKETING

Our real estate units are primarily sold through local real estate brokers to whom we pay a sales commission.

### C. RISK FACTORS

IN ADDITION TO OTHER INFORMATION IN THIS FORM 20-F, THE FOLLOWING RISK FACTORS SHOULD BE CAREFULLY CONSIDERED IN EVALUATING US AND OUR BUSINESS BECAUSE THESE FACTORS CURRENTLY HAVE OR MAY IN THE FUTURE HAVE A SIGNIFICANT IMPACT ON OUR BUSINESS, OPERATING RESULTS OR FINANCIAL CONDITION. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE PROJECTED IN THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS FORM 20-F AS A RESULT OF THE RISK FACTORS DISCUSSED BELOW AND ELSEWHERE IN THIS FORM 20-F.

AN ADVERSE CHANGE IN ECONOMIC CONDITIONS COULD REDUCE THE DEMAND FOR HOMES AND, AS A RESULT, COULD REDUCE OUR EARNINGS.

Changes in economic conditions in Denmark and Norway, as well as local economic conditions where we conduct our operations and where prospective purchasers of our homes live, can have a negative impact on our business. Adverse changes in employment levels, job growth, consumer confidence, interest rates and population growth may reduce demand and depress prices for our homes. This, in turn, can reduce our earnings.

THE PROPERTY DEVELOPMENT INDUSTRY IS HIGHLY COMPETITIVE AND, IF OTHERS ARE MORE SUCCESSFUL, OUR BUSINESS COULD DECLINE.

We operate in a very competitive environment, which is characterized by competition from a number of other property developers in each market in which we operate. We compete with other property developers for land, financing, and skilled management and labor resources. We also compete with the resale, or "previously owned," home market. Increased competition could cause us to reduce our prices. An oversupply of homes available for sale could also depress our home prices and adversely affect our operations. If we are unable to compete effectively in our markets, our business could decline.

IF LAND IS NOT AVAILABLE AT REASONABLE PRICES, OUR SALES AND EARNINGS COULD DECREASE.

Our operations depend on our ability to continue to obtain land for the development of our residential communities at reasonable prices. Changes in the general availability of land, competition for available land, availability of financing to acquire land, zoning regulations that limit housing density and other market conditions may hurt our ability to obtain land for new residential communities. If the supply of land appropriate for development of our residential communities becomes more limited because of these factors, or for any other reason, the cost of land could increase and/or the number of homes that we sell and build could be reduced.

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GOVERNMENT REGULATIONS MAY DELAY THE START OR COMPLETION OF OUR COMMUNITIES, INCREASE OUR EXPENSES OR LIMIT OUR PROPERTY DEVELOPMENT ACTIVITIES, WHICH COULD HAVE A NEGATIVE IMPACT ON OUR OPERATIONS.

We must obtain the approval of numerous governmental authorities in connection with our development activities, and these governmental authorities often have broad discretion in exercising their approval authority. We incur substantial costs related to compliance with legal and regulatory requirements. Any increase in legal and regulatory requirements may cause us to incur substantial additional costs. Various statutes, ordinances, rules and regulations concerning building, zoning, sales and similar matters apply to and/or affect the housing industry. This governmental regulation affects construction activities as well as sales activities, mortgage lending activities and other dealings with consumers.

INCREASES IN TAXES OR GOVERNMENT FEES COULD INCREASE OUR COSTS, AND ADVERSE CHANGES IN TAX LAWS COULD REDUCE CUSTOMER DEMAND FOR OUR HOMES.

Increases in real estate taxes and other local government fees could increase our costs and have an adverse effect on our operations. In addition, increases in local real estate taxes could adversely affect our potential customers who may consider those costs in determining whether to make a home purchase and decide, as a result, not to purchase one of our homes. In addition, any changes in the income tax laws that would reduce or eliminate tax deductions or incentives to homeowners, such as the proposed changes limiting the deductibility of interest on home mortgages, could make housing less affordable or otherwise reduce the demand for housing, which in turn could reduce our sales and hurt our operating results.

ADVERSE WEATHER CONDITIONS AND CONDITIONS IN NATURE BEYOND OUR CONTROL COULD DISRUPT THE DEVELOPMENT OF OUR PROJECTS, WHICH COULD HARM OUR SALES AND EARNINGS.

Adverse weather conditions and natural disasters, such as, floods and fires, can have serious effects on our ability to develop our residential communities. We also may be affected by unforeseen engineering, environmental or geological problems. Any of these adverse events or circumstances could cause delays in the completion of, or increase the cost of, developing one or more of our residential communities and, as a result, could harm our sales and earnings.

PRODUCT LIABILITY LITIGATION AND WARRANTY CLAIMS THAT ARISE IN THE ORDINARY COURSE OF BUSINESS MAY BE COSTLY, WHICH COULD ADVERSELY AFFECT OUR BUSINESS.

As a homebuilder, we are subject to construction defect and home warranty claims arising in the ordinary course of business. These claims are common in the homebuilding industry and can be costly. In many of our projects we have an indemnity from our general construction contractor, which covers defects for up to 10% of the cost of a project for the first year after the construction has been completed, and for up to 2% of the cost of a project for the next 4 years. We anticipate that this will cover any claims. Therefore,

we do not carry an additional insurance, which is costly and the amount of coverage offered by insurance companies is currently limited. There can be no assurance that the indemnity coverage we have from our general contractors will cover all defect and home warranty claims. If claims exceed the amount of this indemnity, we may experience losses that could hurt our financial results

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IF OUR POTENTIAL CUSTOMERS ARE NOT ABLE TO OBTAIN SUITABLE FINANCING, OUR BUSINESS MAY DECLINE.

Our business and earnings also depend on the ability of our potential customers to obtain mortgages for the purchase of our homes. Increases in the cost of home mortgage financing could prevent our potential customers from purchasing our homes. In addition, where our potential customers must sell their existing homes in order to buy a home from us, increases in mortgage costs could prevent the buyers of our customers' existing homes from obtaining the mortgages they need to complete the purchase, which could result in our potential customers' inability to buy a home from us. If our potential customers or the buyers of our customers' current homes are not able to obtain suitable financing, our sales and revenues could decline.

IF WE ARE NOT ABLE TO OBTAIN SUITABLE FINANCING, OUR BUSINESS MAY DECLINE.

Our business and earnings depend substantially on our ability to obtain financing for the development of our residential communities and the purchase and installation of windmills. If we are not able to obtain suitable financing, our costs could increase and our revenues could decrease, or we could be precluded from continuing our operations at current levels. Increases in interest rates can make it more difficult and/or expensive for us to obtain the funds we need to operate our business.

OUR BUSINESS IS SEASONAL IN NATURE, SO OUR QUARTERLY OPERATING RESULTS FLUCTUATE.

Our quarterly operating results typically fluctuate with the seasons. Construction of a customer's home typically proceeds after signing the agreement of sale and can require 12 months or more to complete. Weather-related problems may occur in the late winter and early spring, delaying starts or closings or increasing costs and reducing profitability. In addition, delays in opening new communities or new sections of existing communities could have an adverse impact on home sales and revenues. Because of these factors, our quarterly operating results may be uneven and may be marked by lower revenues and earnings in some quarters than in others. In addition, the electricity generated by our wind parks is dependent upon the seasonal nature of the wind velocity in a particular area.

AVAILABILITY OF WIND TURBINES.

The Wind turbine industry is currently experiencing a great demand for capacity resulting in demand from wind farm project developers which currently is significantly greater than the production capacity of the wind turbine manufacturers. The major turbine manufacturers currently require a down payment of up to 25% in order to accept an order for a turbine. And for certain wind turbine models the delivery lead time can be up to 18 months, and the lead times are continuously growing. The lack of ability of the wind turbine manufacturers to supply turbines within our expected construction schedules could have a negative impact on the timing of the commencement of commercial operation of our wind farms currently under development, and hence negatively impact our future results.

THE AMOUNT OF ELECTRICITY WE GENERATE FOR SALE IS ENTIRELY DEPENDENT UPON WIND VELOCITY.

We locate our wind parks in areas where studies indicate that the historic wind velocity is sufficient to generate such minimum amount of

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electricity as in our judgment will generate a profit. If wind patterns change and the expected minimum wind velocity does not occur over our revenues and profits may be materially adversely affected.

NEW TECHNOLOGIES MAY BECOME BETTER SOURCES OF CLEAN ENERGY.

If new technologies for the production of clean energy from sources other than wind power are developed and these technologies are to provide clean energy more efficiently and at lower prices than wind energy we may not be able to sell the electricity we generate at a profit which would have a material adverse effect on our business.

WE MAY NEED TO RAISE ADDITIONAL CAPITAL IN THE FUTURE. IF WE CANNOT DO SO, WE MAY NOT BE ABLE TO FUND OUR FUTURE ACTIVITIES OR CONTINUE OPERATING.

Our future capital requirements will depend on a number of factors, including our ability to generate positive cash flow from operations, capital expenditure requirements and acquisition opportunities. If we need to raise additional capital in the future, we cannot assure you that we will be able to do so on acceptable terms or at all. If we raise additional capital through the issuance of equity or convertible debt securities, the percentage ownership of our company held by existing shareholders, including holders of our ADSs, will be diluted. In addition, new securities may contain certain rights, preferences or privileges that are senior to those of our ordinary shares. If we are unsuccessful in raising additional capital, when needed, our business and results from operations may be materially and adversely affected.

OUR LONG-TERM GROWTH STRATEGY ASSUMES THAT WE MAKE SUITABLE ACQUISITIONS AND INVESTMENTS. IF WE ARE UNABLE TO ADDRESS THE RISKS ASSOCIATED WITH ACQUISITIONS AND INVESTMENTS OUR BUSINESS COULD BE HARMED.

Our long-term growth strategy includes identifying and, from time to time, acquiring or investing in suitable candidates on acceptable terms. In particular, we intend to acquire or make investments in businesses that provide products and services that expand or complement our existing businesses and expand our geographic reach. In pursuing acquisition and investment opportunities, we may compete with other companies having similar growth and investment strategies. Competition for these acquisition or investment targets could also result in increased acquisition or investment costs and a diminished pool of businesses, available for acquisition or investment. Our long-term growth strategy could be impeded if we fail to identify and acquire or invest in promising candidates on terms acceptable to us.

Assimilating acquired businesses involves a number of other risks, including, but not limited to:

- o disrupting our business;
- o incurring additional expense associated with a write-off of all or a portion of the related goodwill and other intangible assets due to changes in market conditions or the economy in the markets in which we compete or because acquisitions are not providing the benefits expected;
- o incurring unanticipated costs or unknown liabilities;

- o managing more geographically-dispersed operations;
- o diverting management's resources from other business concerns;

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- o assimilating the operations and personnel of the acquired businesses; and
- o maintaining uniform standards, controls, procedures and policies.

For all these reasons, our pursuit of an overall acquisition and investment strategy or any individual acquisition or investment could have a material adverse effect on our business, financial condition and results of operations. If we are unable to successfully address any of these risks, our business could be harmed.

RAPID GROWTH IN OUR BUSINESS COULD STRAIN OUR MANAGERIAL, OPERATIONAL, FINANCIAL, ACCOUNTING AND INFORMATION SYSTEMS, AND OFFICE RESOURCES. IF WE FAIL TO MANAGE OUR GROWTH EFFECTIVELY, OUR BUSINESS MAY BE NEGATIVELY IMPACTED.

In order to achieve our growth strategy, we will need to expand all aspects of our business, including our computer systems and related infrastructure. We cannot assure you that our infrastructure, technical staff and technical resources will adequately accommodate or facilitate our expanded operations. To be successful, we will need to continually improve our financial and managerial controls, billing systems, reporting systems and procedures, and we will also need to continue to expand, train and manage our workforce.

OUR INTERNATIONAL PRESENCE CREATES RISKS WHICH MAY ADVERSELY AFFECT OUR BUSINESS.

There are certain risks inherent in doing business on an international level. These risks include differences in legal and regulatory requirements and other trade barriers, difficulties in staffing and managing foreign operations, problems in collecting accounts receivable, fluctuations in currency exchange rates, delays from government agencies, and tax laws. In addition, our operations may be affected by changing economic, political and governmental conditions in the countries in which we operate. Our inability or failure to address these risks could have a material adverse affect on our business, operations and financial condition. Also, we cannot assure you that laws or administrative practices relating to taxation, or other matters of countries within which we operate will not change. Any change in these areas could have a material adverse effect on our business, financial condition and results of operations.

OUR RESULTS FROM OPERATIONS MAY BE ADVERSELY AFFECTED BY EXCHANGE RATE FLUCTUATIONS.

A portion of our expenditures and receivables are paid in foreign currencies. As a result, our financial results may be affected by an appreciation or depreciation in the value of the Danish kroner relative to the currencies of the countries in which we operate. We have not engaged in hedging or other risk management activities in order to offset the risk of currency exchange rate fluctuations. We cannot predict in any meaningful way the effect of exchange rate fluctuations upon future results. If the value of

the Danish kroner declines and the currencies of the countries in which we operate appreciate or remain stable our results from operations may be negatively affected.

WE ARE SUBJECT TO INCREASED U.S. REGULATORY REQUIREMENTS IN OUR NEXT FISCAL



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YEAR, WHICH WILL INCREASE OUR COSTS AND POSE RISKS THAT THE VALUE OF OUR ADSS COULD DECLINE IF WE FAIL TO TIMELY COMPLY.

The value of our publicly traded ADSs held by non-affiliates makes us subject to the financial controls certification requirements of Section 404 of the Sarbanes-Oxley Act as of the end of our fiscal year, June 30, 2008. We will have to expend significant resources to meet this requirement, and we cannot assure you that we will successfully achieve this objective by that date. Failure to achieve Section 404 certification in a timely manner may adversely effect investor confidence in our Company and this lack of investor confidence may adversely effect the market price of our ADSs.

THE MARKET PRICE OF OUR ADSS MAY DECLINE IF THE VALUE OF THE DANISH KRONER FALLS AGAINST THE US DOLLAR.

Fluctuations in the exchange rate between the Danish Kroner and the US dollar are likely to affect the market price of our ADSs. For example, because EuroTrust's financial statements are reported in Danish Kroners, if the value of the Danish Kroner falls against the US dollar, EuroTrust's earnings per share in US dollars will be reduced. This may adversely affect the price at which our ADSs trade in the US.

THERE IS A LIMITED PUBLIC MARKET FOR OUR SECURITIES AND OUR SECURITIES MAY EXPERIENCE EXTREME PRICE AND VOLUME FLUCTUATIONS.

Our ordinary shares are not listed on any securities exchange or market. However, our ADSs are quoted on the Nasdaq National Market(R). The market price of our ADSs may fluctuate significantly in response to various factors and events, including:

- o variations in our operating results;
- o the liquidity of the markets;
- o investor perceptions of us and the segments in which we operate;
- o changes in earnings estimates by analysts;
- o sales of ADSs by existing holders; and
- o general economic conditions.

In addition, Nasdaq has recently experienced broad price and volume fluctuations. This volatility has had a significant effect on the market price of securities of companies for reasons that have often been unrelated to their operating performance. These broad market fluctuations may also adversely affect the market price of our ADSs and as a result, holders of our ADSs may lose a significant portion of their investment.

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WE HAVE NEVER PAID A DIVIDEND NOR DO WE ANTICIPATE DOING SO IN THE FORESEEABLE FUTURE.

We have not declared or paid any cash dividends on our ordinary shares. We do not expect to declare any dividends in the foreseeable future. We anticipate that all cash that would otherwise be available to pay dividends will be applied in the foreseeable future to finance our growth or to implement shareholder-approved repurchases of our stock. Payment of any future dividends will depend on our earnings and capital requirements, and other factors our

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board of directors deem appropriate.

### D. ORGANIZATIONAL STRUCTURE OF THE COMPANY

SUBSIDIARY -----	COUNTRY OF INCORPORATION -----	INTEREST OWNERSHIP -----
Aktiv Gruppen Holdings A/S	Denmark	100%
AGH Norge A/S	Denmark	100% (1) (2)
Euro909.dk A/S	Denmark	100%
EuroTrust PKI Services A/S	Denmark	100%
Selskabet af 1. Oktober 2004 A/S	Denmark	100%
EuroTrust NetVaulting A/S	Denmark	100%

(1) Formally known as AGH Nordan Invest A/S

(2) 50% owned directly by EuroTrust A/S and 50% owned by Aktiv Gruppen Holdings A/S, a wholly owned subsidiary of EuroTrust

Other significant operating subsidiaries consolidated under Aktiv Gruppen Holdings A/S and its jurisdiction of incorporation and the related Company ownership interest in those subsidiaries at June 30, 2006 are as follows:

SUBSIDIARY -----	COUNTRY OF INCORPORATION -----	INTEREST OWNERSHIP -----
Kronborg Byg ApS	Denmark	100%
Ejendomsselskabet Parkhusene ApS	Denmark	100%
Ejendomsselskabet Faergegardsvej, Vordingborg ApS	Denmark	100%
Ejendomsselskabet Krohaven ApS	Denmark	100%
Erritso Bygade 79 ApS	Denmark	100%
Vognmandsmarken ApS	Denmark	100%
NØrrebrojerg Boligpark ApS	Denmark	100%
Ejendomsselskabet Strandparken, Stege ApS	Denmark	100%
Ejendomsselskabet Blavand Byferie ApS	Denmark	100%
Ejendomsselskabet Kildevej, Helsingør ApS	Denmark	100%
Ejendomsselskabet Kommandorparken, Solrød ApS	Denmark	100%
Ejendomsselskabet Marienlyst Palæ ApS	Denmark	100%
Ejendomsselskabet Nyrød, Vordingborg ApS	Denmark	100%
Ejendomsselskabet Soparken, Fredensborg ApS	Denmark	100%
Ejendomsselskabet Olbycentervej 65 ApS	Denmark	100%

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SUBSIDIARY -----	COUNTRY OF INCORPORATION -----	INTEREST OWNERSHIP -----
København's Byejendomme A/S	Denmark	100%
Ejendomsselskabet Hyltebjerg Alle ApS	Denmark	100%
Win:pro Invent GmbH & Co Zehnte Wind KG	(3) Germany	100%
Sønderborg Havnefront ApS	Denmark	100%
Ejendomsudviklingsselskabet af 2001 A/S	Denmark	100%
Aktiv Boligopsparing ApS	Denmark	100%
Alpen Holidays Ferienhauser GmbH	Austria	100%

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Delta Byg ApS		Denmark	80%
Delta Houses SIA	(1)	Latvia	80%
Aktiv Wind ApS		Denmark	100%
EWf Drei Fünf GmbH & Co. KG	(2)	Germany	78%
Win:pro Invent GmbH & Co. Neunte Wind KG	(2)	Germany	100%
Aktiv Wind GmbH (1)	(2)	Germany	100%
EWf Eins Zwei GmbH & Co KG	(2)	Germany	78%
EWf Eins Drei GmbH & Co KG	(2)	Germany	78%
EWf Eins Vier GmbH & Co KG	(2)	Germany	78%
UW Thrana GmbH & Co KG	(2)	Germany	78%
EWf Zwei Eins GmbH & Co KG	(2)	Germany	78%
UW Nielitz GmbH & Co KG	(2)	Germany	78%
Komplementarselskabet Difko Buchbrunn I ApS	(2)	Denmark	100%
K/S Difko Buchbrunn I	(2)	Germany	100%
AGH Norge A/S	(4)	Denmark	100%
Nordan Parkhusene ApS	(5)	Denmark	100%
Den Gamle Skibssmedie ApS	(5)	Denmark	100%
Hotel Den Gamle Skibssmedie ApS	(6)	Denmark	100%
Bygg og Ejendomsutvikling Sor A/S	(5)	Norway	100%
Teamhus A/S	(7)	Norway	100%
Topdalfjordens Utvikling AS	(7)	Norway	100%
Romaasen Utvikling AS	(7)	Norway	100%
Drejens Strandskovpark A/S		Denmark	100%
2S Ejendomsinvest ApS		Denmark	100%
Silkegade Invest A/S	(8)	Denmark	100%
RGW A/S	(8)	Denmark	100%
Romo Golf A/S	(8)	Denmark	100%
Romo Golf & Wellness A/S	(8)	Denmark	100%
Romo Ferie ApS	(8)	Denmark	100%
St. Rorbaek Byudvikling ApS		Denmark	100%
St. Rorbaek Byudvikling II ApS		Denmark	100%
St. Rorbaek Byudvikling III ApS		Denmark	100%
Gribskov Bolig ApS		Denmark	100%

(1) Wholly owned subsidiary of Delta Byg ApS

(2) Wholly owned subsidiary of Aktiv Wind GmbH

(3) Wholly owned subsidiary of Hytlevbjerg Alle

(4) 50% owned directly by EuroTrust A/S and 50% owned by Aktiv Gruppen Holdings, A/S

(5) Wholly owned subsidiary of AGH Norge A/S

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(6) Wholly owned subsidiary of Den Gamle Skibssmedie ApS

(7) Wholly owned subsidiary of Bygg og Ejendomsutvikling Sor A/S

(8) Wholly owned subsidiary of 2S Ejendomsinvest ApS

On December 12, 2005, AGH Norge A/S purchased a 100% interest in Bygg og Ejendomsutvikling Sor A/S. On June 1, 2006, the Company purchased the remaining 50% interest of AGH Norge A/S. The Company has consolidated the result of AGH

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Norge A/S from date of acquisition. The minority interests' proportionate share of income or loss of AGH Norge A/S is included in the consolidated statement of operations through May 31, 2006.

The results of operations for 2S Ejendomsinvest ApS have been included in the consolidated statement of operations from the date of acquisition on June 2, 2006 through June 30, 2006.

The results of operations for Gribskov Bolig Aps have been included in the consolidated statement of operations from the date of acquisition on June 16, 2006 through June 30, 2006.

The Company discontinued the it's Production and Broadcasting Operations with the sale of certain production vans during April 2006, and the sale of EuroVision A/S and subsidiaries effective April 17, 2006.

At June 30, 2006 and 2005, the Company held a 25% interest in Mediehuset Danmark ApS; the investment is accounted for under the equity method of accounting.

During January 2003, the Company purchased 50% of Kobenhavns Byejeendomme A/S from an entity controlled by a shareholder of the Company for DKK 1 (not in thousands) and acquired an option to purchase the remaining 50% plus the outstanding receivable payable for DKK 1 (not in thousands), which the Company exercised January 15, 2005. The shares are acquired in order to utilize the net operating loss carry forward in K0benhavns Byejeendomme A/S. At the time of acquisition the Company recorded contributed capital of DKK 480 in connection with the DKK 1.7 million (not in thousands) net operating loss carry forward. The Company has been consolidated from the date of acquisition as the Company had an effective 100% controlling interest and right to profit and losses.

During 2003, Aktiv Gruppen Holding organized the subsidiary Aktiv Boligopsparing ApS and distributed an 20% interest to each of 4 individuals for DKK 26,000 receivables from each of the individuals, these interests were reacquired from these individuals from during 2004 and 2005 in connection with collection of the receivables. The Company consolidated 100% of the DKK 161 losses as required by Financial Accounting Standards Board (FASB) Interpretation No. 46R.

### PROPERTY, PLANT AND EQUIPMENT

For our operations, we lease 412 square meters in Kolding, Denmark, 305 square meters in Copenhagen, Denmark and 354 square meters in Kristiansand, Norway.

The total aggregate annual lease costs were approximately DKK 785,000 (not in thousands) for the fiscal year ended June 30, 2006. The operating leases are cancelable by both parties through various times between 6 and 32 months. We believe that the current facilities for our media operations will be adequate for our purposes for at least the next 12 months. We also believe that there is a supply of alternative facilities available in each of the locations where we operate, should we deem it desirable to expand our facilities or otherwise change locations.

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ITEM 4A. UNRESOLVED STAFF COMMENTS

NONE.

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### ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

#### A. OPERATING RESULTS

##### OVERVIEW

Our business currently consists of our property development operations and our wind energy operations. We have been in the business of property development since 2002. We started our wind energy business in June, 2005 with the acquisition of six operating wind turbines in Germany.

##### CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our consolidated financial statements, so we consider these to be our critical accounting policies. See "Summary of Significant Accounting Policies" in the consolidated financial statements for more information about these critical accounting policies, as well as descriptions of other significant accounting policies.

##### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and short-term deposits with maturities of less than three months at the time of purchase..

##### RESTRICTED CASH

Restricted cash as of June 30, 2006 and 2005, includes customer deposit construction credits and bank deposits which are held as collateral for the underlying mortgage and construction loans.

##### MARKETABLE SECURITIES - AVAILABLE FOR SALE

The Company accounts for debt and equity investments in Marketable securities in accordance with Statement of Financial Accounting Standard. (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities". Under SFAS 115 the Company's investments in public companies or

securities are classified as "available-for-sale". These investments are carried at fair value based on quoted market prices. We review the marketable equity holdings in publicly traded companies on a regular basis to determine if any of the marketable securities have experienced an other-than-temporary decline in its fair value. We consider the investee company's cash position, earnings and

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revenue outlook, stock price performance over the past six months, liquidity and management, among other factors, when reviewing the marketable equity securities. If it is determined that an other-than-temporary decline in fair value exists in a marketable equity security, we record an investment loss in the consolidated statement of operations. Marketable securities are classified as current if the Company has the ability or intention of selling the security within 12 months.

### EQUITY METHOD INVESTMENTS

Investments in corporate joint ventures, non-public companies or public companies in which we are significant shareholder but less than majority are included in long-term investments in the consolidated balance sheet and are accounted for under the cost method if our percentage ownership is 20% or less or the equity method if our ownership is in excess of 20 but less than 50% and in which we do not have significant ability to influence management. For non-quoted investments, we regularly review the assumptions underlying the operating performance and cash flow forecasts based on information requested from these privately held companies. Generally, this information may be more limited, may not be as timely as and may be less accurate than information available from publicly traded companies. Assessing each investment's carrying value requires significant judgment by management. If it is determined that there is an other-than-temporary decline in the fair value of a non-public equity security, we write-down the investment to its fair value and record the related write-down as an investment loss in the consolidated statement of operations.

As of June 30, 2006 investments in non consolidated entities included:

ENTITY	NATION	% OWNERSHIP
Europe Vision PLC (Formerly Tritel Investments, Inc.)	Sweden	22.95%
Windpark Wriezener Hohe GmbH & Co KG	Denmark	50.00%
Mediehuset Danmark ApS	Denmark	25.00%

### CONTRACT & OTHER ACCOUNTS RECEIVABLE

Trade accounts receivable are recorded at the amount invoiced to customers and they do not bear interest. The allowance for doubtful accounts is the Company's best estimate of amount of probable losses resulting from the inability of our customers to make required payments. We regularly review the adequacy of our accounts receivable allowance after considering the size of the accounts receivable balance, each customer's expected ability to pay and our collection history with each customer. We review significant invoices that are past due to determine if an allowance is appropriate based on the risk category using the factors described above. The Company's policy for putting the loan on non-accrual status and to record an allowance for doubtful accounts is based upon management's best estimate of amount of probable losses resulting from the purchaser inability to make required payments.

The following includes the changes in the allowance for doubtful accounts for the years ended June 30, 2004 to June 30, 2006:

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Allowance for doubtful accounts:	Amounts charged
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	Balance at July 1	(credited) to Operating Expenses	Write-offs	Balance at June 30
	-----			-----
Year ended June 30, 2004	595	208	0	803
Year ended June 30, 2005	803	200	(352)	651
Year ended June 30, 2006	651	887	(586)	952

### MORTGAGE LOANS RECEIVABLE

Mortgage loans receivable represent a note received from the sale of real estate owned by the Company. All of the loans are secured by First Deeds of Trust in real property and are carried at unpaid principal. The Company monitors the recoverability of its loans and notes receivable. Interest on mortgage loans is recognized as revenue as it accrues during the period the loan is outstanding. Mortgage loans receivable are evaluated periodically for impairment. If it becomes evident that the borrower is unable to meet its debt service obligations and cannot satisfy its payments using sources other than sales or operations of the property securing the loan, such loan will be considered impaired. In that event, interest income on impaired loans will cease to accrue and the recorded amount will be reduced to the fair value of the collateral securing it.

### PROPERTIES HELD FOR SALE OR FUTURE DEVELOPMENT

Real estate inventory held for current sale or future development includes land, land development and carrying costs, including real estate taxes and assessments, management fees and other directly related costs incurred. It also includes the non-refundable deposits on land for future development. Costs are allocated to individual units based on the specific identification or relative sales value method. Real estate inventory held for current sale and land held for future development is carried at the lower of cost or fair market value. Impairment is recognized when estimated expected future cash flows (undiscounted and without interest charges) are less than the carrying amount of the project. Due to uncertainties inherent in the valuation process and in the economy, it is reasonably possible that the actual sales values and profits of the Company's inventory of land held for current sale and future development could be materially different than current expectations. To the extent that impairment has occurred, the excess of the carrying amount of such property over its estimated fair value, less estimated selling costs, will be charged to operations. As of June 30, 2006 and 2005, the Company's management believed that there was no impairment on the carrying value of real estate.

### PROPERTY ON OPERATING LEASE

Property on operating lease is stated at cost, net of accumulated depreciation, unless circumstances indicate that cost, net of accumulated depreciation, cannot be recovered from estimated future undiscounted cash flows, in which case, the carrying value of the property is reduced to its estimated fair value. Due to uncertainties inherent in the valuation process and in the economy, it is reasonably possible that the actual results of operating and disposing of the Company's property could be materially different than current expectations. At June 30, 2006 and 2005, the Company's management believed that there was no impairment on the carrying value of the property. Depreciation of the building

and improvements is provided using the straight line method over 30 years the estimated useful lives of the respective assets.

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### PLANT AND EQUIPMENT

Plant, equipment, furniture and fixtures, automobiles and leasehold improvements are carried at cost less accumulated depreciation.

Equipment, furniture and fixtures and automobiles are depreciated on a straight-line basis over the expected useful lives of between three and ten years. Leasehold improvements are amortized over the shorter of their expected lives, which is ten years or the non-cancelable term of the leases.

### IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with SFAS No. 144, long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated. The depreciable basis of assets that are impaired and continue in use is their respective fair values.

### GOODWILL AND OTHER DEFINITE LIFE INTANGIBLE ASSETS

Goodwill represents the excess of costs over the fair value of the identifiable net assets of businesses or remaining interest of businesses acquired. Other definite life intangible assets consisted in 2006 of amounts paid for the rights to acquire land and the allocation of purchase price in asset and subsidiary acquisition to development rights in specific real estate development projects. The Company accounts for Goodwill and Other Intangible Assets in accordance with SFAS No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS, and accordingly Goodwill and indefinite intangible assets are tested for impairment at least annually or when circumstances change that could result in impairment; definite-life intangible assets with estimable useful lives are amortized over their respective estimated useful lives, and reviewed for impairment in accordance with SFAS No. 144, Accounting for Impairment or Disposal of Long-Lived Assets.

### REVENUE RECOGNITION LONG TERM CONTRACT

Real Estate development



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Revenues from real estate development contracts are recognized on the percentage-of-completion method, measured by the percentage of project / construction costs incurred to date to estimated total project / construction costs for each contract multiplied by the ratio of the number of units sold over the total number of units on a project by project basis. This method is used because management considers costs incurred to be the best available measure of progress on contracts in process.

Construction costs of projects under contract include all direct material and labor costs and those indirect costs related to contract performance. Directly related selling, general, and administrative costs are capitalized and accreted included in cost of sales charged to expense as incurred. Provisions for estimated losses on the incomplete contracts are made in the period in which such losses are determined. Changes in estimated profitability are recognized in the period in which the revisions are determined. The aggregate of costs incurred and income recognized on incomplete contracts in excess of billings on uncompleted contracts is shown as a current asset. The aggregate of billings in excess of related costs incurred and income recognized would be shown as a current liability.

All leases are classified as operating leases and minimum rents are recognized on a straight-line basis over the lease terms, commencing on the date that possession is taken by the tenant.

Tenant reimbursements for real estate taxes, common area maintenance and other recoverable costs are recognized in the period that the expenses are incurred. Lease termination fees, which are included in other income in the accompanying consolidated and combined statements of operations, are recognized when the related leases are cancelled and we have no continuing obligation to provide services to such former tenants.

### Wind Energy

The Company recognizes revenue from the generation of wind energy in accordance with the terms of the individual wind turbines or windpark contracts with the German Electric Utility Companies. These contracts contain a 20 year fixed floor price to be paid per kilowatt hour delivered. Revenue is recognized upon delivery of the electricity to the electric utility substation and collection is probable.

### ADVERTISING COSTS

Advertising costs are expensed as incurred. In the consolidated statements of operation advertising costs directly related to specific real estate projects are included in cost of sales.

### INCOME TAXES

The Company utilizes the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and to operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records a valuation allowance to reduce deferred tax assets to an amount in which realization is more likely than not.

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### CONCENTRATION OF CREDIT RISK

Cash and cash equivalents are, for the most part, maintained with several major financial institutions in Scandinavia. These balances are insured up to DKK 300 per account.

A majority of the Company's current real estate development are located within Denmark.

All of the Company's wind turbines are located in Germany.

### ASSET RETIREMENT OBLIGATIONS

The Company's wind turbines are located on property leased from third parties. We are obligated to remove the wind turbine upon expiration. We account for these estimated obligations in accordance with Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143) and Financial Accounting Standards Board (FASB) Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations". SFAS No. 143 requires the accrual of the present value of the future estimated asset retirement obligations at installation, with an offsetting amount booked as additions to property & equipment. The estimated obligation is accreted to expense over the estimated life of the assets for the increase in the present value of the obligation.

### CONSOLIDATED RESULTS

#### YEAR ENDED JUNE 30, 2006 COMPARED WITH YEAR ENDED JUNE 30, 2005

Net sales for the year ended June 30, 2006 was DKK 414.6 million, an increase of DKK 167.3 million, or 67.6%, compared to net sales of DKK 247.3 million for the year ended June 30, 2005. This increase was primarily attributable to an overall increase in the activities of the company. Within the Real Estate Development segment the increased activity was due to a higher demand for our projects. Except for certain immaterial start-up general and administrative expenses (DKK 910,000) we had no material activities in our Wind Energy segment in the year ended June 30, 2005. Our Wind Energy segment began its activities in the year ended June 30, 2006. The table below compares sales for both years for our Real Estate development segment-and sets forth the sales for our Wind Energy segment for the year ended June 30, 2006.

	SALES		AMOUNT INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
	2006	2005		
	(IN THOUSANDS OF DKK)			
Real Estate development:	414,588	247,333	167,255	67.6%
Wind Energy	19,200	---	---	---%
Total	433,788	247,333	186,455	75.4%

Total operating expenses for the year ended June 30, 2006 were DKK 368.4 million, an increase of DKK 183.0 million, or 98.7%, from the total operating

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expenses of DKK 185.4 million for the year ended June 30, 2005. This increase is primarily attributable to an overall increase in the activities for the company. The table below compares our operating expenses by category for both years for our Real

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Estate development segment, and sets forth our operating expenses by category for our Wind Energy segment for the year ended June 30, 2006.

	COST OF SALES		AMOUNT INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
	2006	2005		
	(IN THOUSANDS OF DKK)			
Real Estate development:	333,594	173,637	159,957	92.1%
Wind Energy	1,202	---	---	---%
Total	334,796	173,637	161,159	92.8%
	SALES AND MARKETING		AMOUNT INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
	2006	2005		
	(IN THOUSANDS OF DKK)			
Real Estate development:	1,049	907	142	15.7%
Wind Energy	0	---	---	---
Total	1,049	907	142	15.7%
	GENERAL/ ADMINISTRATIVE		AMOUNT INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
	2006	2005		
	(IN THOUSANDS OF DKK)			
Real Estate development:	19,632	9,442	10,190	107.9%
Wind Energy	7,061	910	6,151	675.9%
Total	26,693	10,352	16,341	157.9%
	DEPRECIATION		AMOUNT INCREASE (DECREASE)	PERCENTAGE INCREASE (DECREASE)
	2006	2005		
	(IN THOUSANDS OF DKK)			
Real Estate development:	681	520	161	31.0%
Wind Energy	5,136	---	---	---%

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Total	5,817	520	5,297	1018.7%
	-----	-----	-----	-----
	-----	-----	-----	-----

In our Real Estate Development segment our operating expenses increased as a result of our increased sales.

For the year ended June 30, 2006, the gross profit for our Real Estate Development segment was DKK 80,994 or 19.5% of segment revenues, while the gross profit for the year ended June 30, 2005 was

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DKK 73,696 or 29.8% of segment revenues. The increase in the gross profit is due to a higher demand for our projects and the decrease in the gross profit margin is due to increasing building costs and the type of real estate projects sold during the period.

In our Wind Energy segment the gross profit for the year ended June 30, 2006 was DKK 12,862 or 67.0% of segment revenues.

For the year ended June 30, 2006 our operating profit increased by DKK 3.5 million to DKK 65.4 million compared to a profit of DKK 61.9 million for the year ended June 30, 2005.

The operating profit for our Real Estate Development segment decreased by DKK 2.3 million to DKK 59.6 million compared to a profit of DKK 61.9 million for the year ended June 30, 2005. This decrease is attributable to increased operating expenses incurred as a result of our increased focus on further developing and enhancing our Real Estate Development business.

For the year ended June 30, 2006, we had interest income of DKK 4.0 million and interest expense of DKK 14.6 million. For the year ended June 30, 2005, interest income was DKK 1.3 million and interest expense was DKK 9.2 million.

For the year ended June 30, 2006 the Net income increased to DKK 45.9 million compared to a Net income of DKK 37.1 million for the year ended June 30, 2005. The increase in our Net income of DKK 8.8 million is primarily attributable to an increase in our activities within both our Real Estate Development and Wind Energy segments.

YEAR ENDED JUNE 30, 2005 COMPARED WITH YEAR ENDED JUNE 30, 2004.

During the fiscal years ended June 30, 2005 and June 30, 2004 the Company's revenues and expenses were, except for immaterial expenses for our wind energy business in 2005, exclusively attributable to our real estate development business. Therefore no segment information is provided in the discussion of the comparison of these results

Net sales for the year ended June 30, 2005 was DKK 247.3 million, a decrease of DKK 48.7 million, or 16.5%, compared to sales of DKK 296.0 million for the year ended June 30, 2004. The decrease in sales was attributable to delays in obtaining the required municipality plans and building permits, which caused us to postpone the start of several planned projects. However, as a result of these delays, our pipeline of projects to be built and sold in the

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coming years has increased substantially.

Total operating expenses for the year ended June 30, 2005 were DKK 185.4 million (of which 0.9 million were attributable to the wind energy segment), a decrease of DKK 81.0 million, or 30.4%, from the total operating expenses of DKK 266.4 million for the year ended June 30, 2004. This decrease was primarily attributable to a decrease in our cost of sales of DKK 85.5 million and an increase in general and administrative expenses of DKK 4.9 million (of which 0.9 million were attributable to the wind energy segment).

For the year ended June 30, 2005, our operating income was DKK 61.7 million or 24.9% of sales. For the year ended June 30, 2004, the operating income was DKK 29.6 million, or 10.0% of sales.

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For the year ended June 30, 2005, we had interest income of DKK 1.3 million and interest expense of DKK 9.2 million. For the year ended June 30, 2004 interest income was DKK 0.6 million and interest expense was DKK 2.3 million.

Our Net income for the year ended June 30, 2005 increased to DKK 37.1 million compared to a Net income of DKK 17.5 million for the year ended June 30, 2004. The increase in our Net income of DKK 19.6 million or 112% is primarily attributable to increased sales offset by increased cost of sales, increased general and administrative expenses and increased income tax expense.

### B. LIQUIDITY AND CAPITAL RESOURCES

For the year ended June 30, 2006, cash provided by operations was DKK 56.8 million compared to cash provided by operations of DKK 17.9 million for the year ended June 30, 2005, an increase of DKK 38.9 million. The increase was primarily due to an increase in our Net income and an increase in customer's deposits of DKK 49.2 million, partly offset by a decrease in other receivables and account payable.

For the year ended June 30, 2006, cash provided by investing activities was DKK 6.3 million compared to cash provided by investing activities of DKK 1.0 million for the prior year, an increase of DKK 5.3 million. This increase was partly due to an increase in cash acquired in business acquisitions and notes receivable from related party offset by cash used to purchase investments and a decrease in mortgage deed receivables.

For the year ended June 30, 2006, cash used in financing activities was DKK 64.4 million compared to cash provided by financing activities of DKK 20.5 million for the prior year, an increase of DKK 84.9 million. This increase was primarily due to an increase in short- and long-term borrowings of DKK 261.5 and an increase in proceeds from the issuance of our common stock of DKK 155.8 million offset by a decrease in restricted cash of DKK 352.8 million.

Our capital expenditures for the year ended June 30, 2006 were DKK 2.4 million. These expenditures primarily related to office equipment (furniture's) and IT

We believe that our cash on hand and the positive trend of our operating cash flow together with borrowings currently available and other potential sources of funds as described above will be sufficient to fund our anticipated working capital needs and capital spending requirements in the foreseeable future. However, if we were to incur any unanticipated expenditures or the

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positive trend of our operating cash flow does not continue, such circumstances could put a substantial burden on our cash resources.

### CONTRACTUAL OBLIGATIONS (in thousands of DKK)

CONTRACTUAL OBLIGATIONS	YEAR ENDED JUNE 30,		TOTAL OBLIGATIONS
	2007	LATER YEARS	
Operating leases	3,442	36,691	40,133
TOTAL CONTRACTUAL OBLIGATIONS	3,442	36,691	40,133

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### INFLATION

We do not believe that inflation had a material impact on our results of operations.

### IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In September 2006, the Chief Accountant of the SEC issued a letter regarding the accounting implications of certain option granting practices of which the SEC staff has become aware, many of which affect the determination of an option's measurement date. Although not yet embodied in a separate accounting pronouncement, the Chief Accountant's letter elaborates on the staff's view as to accounting issues related to APB Opinion 25, "Accounting for Stock Issued to Employees", should a registrant's practices related to such matters be reviewed. The Company is evaluating the impact of the Chief Accountant's letter, but does not presently believe that its consolidated financial statements will be effected thereby.

In September 2006, the SEC staff issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." SAB 108 was issued to provide consistency between how registrants quantify financial statement misstatements. SAB 108 established an approach that requires quantification of financial statement misstatements based on the effects of the misstatement on each of the Company's financial statements and the related financial statement disclosures. This approach is commonly referred to as the "dual approach" because it requires quantification of errors under two widely-used methods for quantifying the effects of financial statement misstatements, generally referred to as the "roll-over" and "iron curtain" methods. SAB 108 allows registrants to initially apply the dual approach either by (1) retroactively adjusting prior financial statements as if the dual approach had always been used or by (2) recording the cumulative effect of initially applying the dual approach as adjustments to the carrying values of assets and liabilities as of January 1, 2006 with an offsetting adjustment recorded to the opening balance of retained earnings. Use of this "cumulative effect" transition method requires detailed disclosure of the nature and amount of each individual error being corrected through the cumulative adjustment and how and when it arose. The Company expects to apply SAB 108 using the cumulative effect transition method in connection with the preparation of its annual financial statements for the year ending June

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30, 2007. When the Company initially applies the provisions of SAB 108, it does not presently expect to record any effects of financial statement misstatements.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first, evaluating whether a tax position has met a more-likely-than-not recognition threshold, and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on de-recognition, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for the Company beginning July 1, 2007. Management is currently reviewing FIN 48 to determine the impact of adopting it and its materiality to the Company.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments, an amendment of FASB statements No. 133 and 140" (SFAS 155). SFAS No. 155 allows financial instruments that have embedded derivatives to be accounted for as a whole (eliminating the need to bifurcate the derivative from its host) as long as the entire instrument is valued on a fair value

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basis. The statement also resolves and clarifies other specific SFAS No. 133 and SFAS No. 140 related issues. SFAS No. 155 is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. We will be required to adopt SFAS No. 155 on July 1, 2007 and do not expect that it will have a material effect on our Consolidated Financial Statements.

On September 28, 2005, the FASB ratified the following consensus reached in EITF Issue 05-8 ("Income Tax Consequences of Issuing Convertible Debt with a Beneficial Conversion Feature"): a) The issuance of convertible debt with a beneficial conversion feature results in a basis difference in applying FASB Statement of Financial Accounting Standards SFAS No. 109, Accounting for Income Taxes. Recognition of such a feature effectively creates a debt instrument and a separate equity instrument for book purposes, whereas the convertible debt is treated entirely as a debt instrument for income tax purposes. b) The resulting basis difference should be deemed a temporary difference because it will result in a taxable amount when the recorded amount of the liability is recovered or settled. c) Recognition of deferred taxes for the temporary difference should be reported as an adjustment to additional paid-in capital. This consensus is effective in the first interim or annual reporting period commencing after December 15, 2005, with early application permitted. The effect of applying the consensus should be accounted for retroactively to all debt instruments containing a beneficial conversion feature that are subject to EITF Issue 00-27, "Application of Issue No. 98-5 to Certain Convertible Debt Instruments" (and thus is applicable to debt instruments converted or extinguished in prior periods but which are still presented in the financial statements). The adoption of this pronouncement is not expected to have a material impact on the Company's financial statements.

The Emerging Issues Task Force ("EITF") reached a tentative conclusion on EITF Issue No. 05-1, "Accounting for the Conversion of an Instrument That Becomes Convertible upon the Issuer's Exercise of a Call Option" that no gain or loss should be recognized upon the conversion of an instrument that becomes convertible as a result of an issuer's exercise of a call option pursuant to the original terms of the instrument. The application of this pronouncement is not

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expected to have an impact on the Company's consolidated financial statements.

In June 2005, the FASB ratified EITF Issue No. 05-2, "The Meaning of 'Conventional Convertible Debt Instrument' in EITF Issue No. 00-19, 'Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock'" ("EITF No. 05-2"), which addresses when a convertible debt instrument should be considered 'conventional' for the purpose of applying the guidance in EITF No. 00-19. EITF No. 05-2 also retained the exemption under EITF No. 00-19. EITF No. 05-2 is effective for new instruments entered into and instruments modified in periods beginning after June 29, 2005. The Company has applied the requirements of EITF No. 05-2 since the required implementation date. The adoption of this pronouncement did not have an impact on the Company's consolidated financial statements.

EITF Issue No. 05-4 "The Effect of a Liquidated Damages Clause on a Freestanding Financial Instrument Subject to EITF Issue No. 00-19, 'Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock'" ("EITF No. 05-4") addresses financial instruments, such as stock purchase warrants, which are accounted for under EITF 00-19 that may be issued at the same time and in contemplation of a registration rights agreement that includes a liquidated damages clause. The consensus of EITF No. 05-4 has not been finalized. The Company does not believe the adoption of this pronouncement will have an impact on the Company's consolidated financial statements.

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In September 2005, the FASB ratified EITF Issue No. 05-7, "Accounting for Modifications to Conversion Options Embedded in Debt Instruments and Related Issues" ("EITF No. 05-7"), which addresses whether a modification to a conversion option that changes its fair value affects the recognition of interest expense for the associated debt instrument after the modification and whether a borrower should recognize a beneficial conversion feature, not a debt extinguishment, if a debt modification increases the intrinsic value of the debt. EITF No. 05-7 is effective for the first interim or annual reporting period beginning after December 15, 2005. The Company is currently in the process of evaluating the effect that the adoption of this pronouncement will have on its financial statements.

### OFF BALANCE SHEET ARRANGEMENTS

The Company is not aware of any material transactions which are not disclosed in its consolidated financial statements.

### ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

#### A. DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as of December 1, 2006, the name, position, age, principal occupation and address and the date on which they first became an officer or director for our directors and senior management.

NAME AND POSITION	AGE	PRINCIPAL OCCUPATION AND ADDRESS	DATE BECAME A DIRECTOR/OFFICER
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Bo Kristensen President, Chief Executive Officer .....	47	Chief Executive Officer of EuroTrust A/S Kokholm 3 6000 Kolding Denmark	May 2006
Soren Degn Chief Financial Officer...	37	Chief Financial Officer of EuroTrust A/S Kokholm 3 6000 Kolding Denmark	September 2003
Erik Damgaard Chairman of the Board.....	45	Private Investor c/o EuroTrust A/S Kokholm 3 6000 Kolding Denmark	December 2005

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NAME AND POSITION	AGE	PRINCIPAL OCCUPATION AND ADDRESS	DATE BECAME A DIRECTOR/OFFICER
Peter Juul Director, Chief Executive Officer of Aktiv Gruppen Holding A/S.....	44	Chief Executive Officer of Aktiv Gruppen Holding A/S and a Director of EuroTrust A/S Kokholm 3 6000 Kolding Denmark	December 2005
John J. Stuart, Jr.(1) (2) Director.....	67	Chief Financial Officer of Irvine Sensors Corporation 3001 Redhill Avenue Costa Mesa, CA 92626-4532 USA	May 1998
Christian Rovsing (1) (2) Director.....	70	Management Consultant c/o EuroTrust A/S Kokholm 3 6000 Kolding Denmark	May 2006
Jan Berger(1) (2) Director.....	63	Management Consultant c/o EuroTrust A/S Kokholm 3 6000 Kolding Denmark	May 2003

(1) Member, audit committee of the Board of Directors.

(2) Member, compensation committee of the Board of Directors.

BO KRISTENSEN, PRESIDENT, CHIEF EXECUTIVE OFFICER

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Mr. Kristensen has been our Chief Executive Officer since May 2006. He has been affiliated as partner and responsible for economy and financing in the subsidiary Aktiv Gruppen Holding A/S since 2001. Mr. Kristensen also serves as a member of the board for several of our wholly owned subsidiaries. Mr. Kristensen has a Graduate Diploma in Economics (Management Accounting) and Higher Commercial Examination. Mr. Kristensen is highly experienced in both business areas - Renewable Energy and Estate Development

SOREN DEGN, CHIEF FINANCIAL OFFICER

Mr. Degn has been our Chief Financial Officer since September 2003. He also serves as a member of the board for several of our wholly-owned subsidiaries. Prior to this appointment he served as our Corporate Finance Director since 2001. Mr. Degn spent 5 years with Kampsax A/S (a consultancy firm) and 7 years with KPMG in Denmark. Mr. Degn has a Graduate Diploma in Business Administration in accountancy and a MSC (Business Administration and Auditing) in financial planning and control from the Copenhagen Business School.

PETER JUUL, DIRECTOR, CHIEF EXECUTIVE OFFICER OF AKTIV GRUPPEN HOLDING A/S

Mr. Juul has been the Chief Executive Officer of Aktiv Gruppen Holding A/S since November 14, 2005. He was Chairman of the board of Aktiv Gruppen from September 1, 2002 to November 14, 2005. Prior to his becoming Chief Executive Officer of Aktiv Gruppen, Mr. Juul was a partner in the law firm of Interlex Advokater located in Arhus, Denmark.

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ERIK DAMGAARD, CHAIRMAN OF THE BOARD OF DIRECTORS

Mr. Damgaard is currently a private investor. From 2002 to 2004 Mr. Damgaard was a software architect for Microsoft Corporation. Prior to 2002 Mr. Damgaard was the Technology Officer of Navision A/S, a company which he helped found. In 2002, Navision A/S was sold to Microsoft.

JOHN J. STUART, JR., DIRECTOR

Mr. Stuart was elected to our Board of Directors in May 1998. Since January 1983 Mr. Stuart has been employed by Irvine Sensors Corporation ("ISC"), Costa Mesa, California USA, a developer of proprietary technologies to produce extremely compact packages of solid state microcircuitry. He currently serves as ISC's Senior Vice President and Chief Financial Officer, positions he has held since November 1998 and July 1985, respectively. Between July 1985 and February 1995, he also held the position of ISC's treasurer and was reappointed to this position in November 1998. Mr. Stuart holds a degree in Industrial Management from the Massachusetts Institute of Technology.

CHRISTIAN ROVSING, DIRECTOR

Mr. Rovsing was a member of the European Parliament from 1989-2004. He is currently president or a board member of a number of companies active mainly in the areas of space, biotech and telecommunications. Mr. Rovsing received a M.Sc. (electronics) from the Technical University of Denmark.

JAN BERGER, DIRECTOR

Mr. Berger was elected to our Board of Directors in May 2003. Mr. Berger has been a Management Consultant since 1998. He has more than 24 years of experience in the Information Technology (IT) industry and has held various top

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management positions with leading IT companies. In addition, Mr. Berger has served as a board member at several companies including, chairman of the board of Skrivervik Data, a SUN Microsystems distributor in Norway. Mr. Berger has degree in Business Economics and Administration with an emphasis on Sales and Marketing.

There are no family relationships among any of our directors and executive officers or those of our subsidiaries.

### B. COMPENSATION

#### EXECUTIVE COMPENSATION

Cash compensation paid by us and our subsidiaries for the year ended June 30, 2006 to our directors and senior management for services in all capacities, other than professional fees, totaled approximately DKK 5.4 million (approximately \$0.9 Million). In addition, we maintain a standard pension plan for our executive officers under the terms of which we contribute an amount equal to 15% of their annual salary to the plan. The total contribution for the year ended June 30, 2006 totaled approximately DKK 168 (approximately \$29).

We have an employment agreement with Mr. Soren Degn our chief financial officer which provides, among other things, for an annual salary of DKK 1,680. Mr. Degn's employment agreement will

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initially expire on December 31, 2008. However the agreement will automatically be extended for unlimited 1-year periods unless we provide him with 2 years advance notice that the Company will not renew his employment.

We have an employment agreement with Mr. Bo Kristensen our chief executive officer which provides, among other things, for an annual salary of DKK 2,280. Mr. Kristensen's employment agreement will initially expire on June 30, 2009. However the agreement will automatically be extended for unlimited 1-year periods unless we provide him with 30 months advance notice that the Company will not renew his employment.

#### OPTIONS

No options were granted pursuant to our stock option plan to the named executive officers during the year ended June 30, 2006.

#### DIRECTOR COMPENSATION

Directors are reimbursed for expenses they incur in connection with attending meetings of the Board of Directors and committees thereof. We may periodically grant options to our directors, although the amount and timing of those grants are determined by the Board in its sole discretion. In addition, our independent directors are paid (U.S.) \$6.25 per quarter for serving as a director and receive (U.S.) \$1.5 for each Board meeting which they attend in person and (U.S.) \$.5 for each Board meeting which they attend by telephone. In addition the Chairman of our Audit Committee is paid an additional (U.S.) \$2.500 per quarter. Directors may also receive a one time grant of ordinary shares when they first join our Board.

### C. BOARD PRACTICES

Our Board of Directors may consist of between three and seven members.

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As of December 1, 2006, the Board consisted of five members. Under certain provisions of the Danish Companies Act, our employees have the right to elect three board members. However, our employees have not exercised this right.

Each director is elected by a vote at the annual or special meeting of the shareholders and serves for a term of one year. All of our current directors were elected or re-elected at the annual general meeting held on November 17, 2006.

There is no restriction on the re-election of directors. The quorum for a meeting of the Board of Directors is a simple majority. All members of the Board of Directors have equal voting rights and all resolutions are passed by a simple majority.

The citizenships of the directors are as follows:

Name	Country of Citizenship
ERIK DAMGAARD	Denmark
PETER JUUL	Denmark
JOHN J. STUART, JR.	United States
JAN BERGER	Norway
CHRISTIAN ROVSING	Denmark

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There are no agreements with our Board members that provide for the payment of benefits upon termination of their directorship.

The Board has determined that Messrs. Berger, Roving and Stuart meet the standard for independent directors as required by the listing standards of NASDAQ.

### BOARD COMMITTEES

Our Board of Directors has an audit committee and a compensation committee.

The audit committee reviews our financial statements and accounting practices, approves the selection of the Company's independent auditors and meets and interacts with the independent auditors to discuss questions in regard to the Company's financial reporting, reviews the results and scope of the audit and other services provided by our independent auditors, and our internal controls. The audit committee consists of Messrs. Berger, Roving and Stuart. The Board has determined that Mr. Stuart is an "audit committee financial expert", as defined under the rules promulgated by the United States Securities and Exchange Commission.

The compensation committee makes recommendations to the Board regarding remuneration of executive officers and reviews our compensation plans and policies. The compensation committee consists of Messrs. Berger, Roving and Stuart.

### INDEMNIFICATION

Except to the extent indicated below, neither our Articles of Association nor any contract or other arrangement to which we are a party

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contains any provision under which any of our directors, members of management or officers are insured or indemnified in any manner against any liability that he or she may incur in his or her capacity as a director or an officer.

We have obtained an insurance policy under which our directors and officers are insured against losses arising from their acts or omissions in their capacities as directors or officers up to DKK 40 million. This policy has a DKK 50, deductible.

Under the Danish Act on Limited Companies, our directors and officers, who are registered as managers with the Danish Commerce and Companies Agency, are liable for losses caused deliberately or by negligence in connection with the performance of their duties to us and to third parties. Officers not so registered are indemnified by us under applicable Danish law in respect of actions taken by them in their official capacity.

Insofar as indemnification for liabilities under the Securities Act of 1933, as amended, may be permitted to our directors, officers or controlling persons as set forth above, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

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### D. EMPLOYEES

As of June 30, 2006, we had 91 employees, an increase from 82 employees for the prior year. This increase is primarily attributable to the growth of our business. All of our employees are located in Denmark and Norway (see the following table.) The table below gives a breakdown of our employees and area of employment:

	Denmark	Norway	Total
Sales and Marketing	3	1	4
Customer Service and Support	4	1	5
Technical	1	0	1
Finance and Administration	16	1	17
Other	61	3	64
	-----		
Totals	85	6	91
	-----		

Some of our employees are members of various labor unions; however, we are not required to, and we do not have agreements with any union. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Competition in the recruiting of highly-qualified personnel is intense. We believe that our future success will depend, in part, on our continued ability to hire, motivate and retain qualified management, marketing and technical personnel. To date, we have not experienced any difficulty in attracting and retaining qualified personnel, but we can provide no assurance that we will be able to continue to attract and retain qualified personnel in the future.

We believe that our relations with our union and non-union employees are good.

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E. The following table sets forth the ownership of our ordinary shares by the individuals named in Item 6.A., as of December 1, 2006

NAME	NUMBER ORDINARY SHARES AND ADSs (1)	PERCENT (2)
Bo Kristensen	3,180,303	9.28
Erik Damgaard	2,652,700	7.74
Peter Juul	1,910,967	5.58
Soren Degn	*	*
John J. Stuart, Jr.	*	*
Christian Rovsing	*	*
Jan Berger	*	*
All officers and directors As a group (7 persons)	8,072,760	23.50

\* Less than 1%

- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Common shares relating to options currently exercisable or exercisable within 60 days of December 1, 2006 are deemed outstanding for computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person. Except as indicated by footnote, and subject to community property laws

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where applicable, the persons named in the table above have sole voting and investment power with respect to all shares shown as beneficially owned by them.

- (2) As of December 1, 2006, 34,258,260 ordinary shares were issued, including no treasury shares. Beneficial ownership percentages are calculated based on 34,258,260 ordinary shares issued and outstanding as of December 1, 2006. Of the amount issued, 34,246,386 ordinary shares have been deposited (represented by 34,246,386 ADSs, each representing one ordinary share issued) under the Deposit Agreement with The Bank of New York.

### ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

#### A. MAJOR SHAREHOLDERS

The following table sets forth information, as of December 1, 2006 with respect to the beneficial ownership of our ordinary shares by each shareholder known by us to beneficially own more than 5% of our ordinary shares.

NAME OF BENEFICIAL OWNER(1)	SHARES BENEFICIALLY OWNED	
	NUMBER (1)	PERCENT
Erik Damgaard	1,910,967	5.58%
A,O, Holding ApS, controlled by Arne Olsen	3,614,017	10.55%
J,L,Invest Holding ApS, controlled by Jan Larsen	2,133,332	6.20%
Dansk Anlaegsinvest ApS, controlled by Bo Kristensen	3,183,303	9.28%
Volleshave Holding ApS, controlled by Peter Juul	2,652,700	7.74%
Peter Forchhammer	2,343,825	6.84%
Vind Energi Invest A/S	2,300,000	6.71%

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Invesco Perpetual	2,725,000	8.00%
TOTAL	20,860,144	60.90%
	=====	=====

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Ordinary shares issuable upon currently exercisable or convertible securities or securities exercisable or convertible within 60 days of May 29, 2006 are deemed beneficially owned and outstanding for computing the percentage owned by the person holding such securities, but are not considered outstanding for computing the percentage of any other person.

Our major shareholders do not have different voting rights. We are not owned or controlled, directly or indirectly, by another corporation or by any foreign government. We are not aware of any arrangement that may at a subsequent date result in a change of control.

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### B. RELATED PARTY TRANSACTIONS

During 2006, the Company sold 55 holiday condominiums for DKK 103,131 to Marienlyst Hotel Invest A/S (MHI). MHI is partially owned by two shareholders who own approximately 5% of the outstanding shares of EuroTrust A/S at June 30, 2006, one of which is the president of the EuroTrust A/S' Norwegian operations. At June 30, 2006 the company had received DKK 4,000 of the purchase price and recorded a DKK 99,131 6% mortgage deed receivable for the balance. During September 2006, the Company collected an additional DKK 11,000 against the note receivable.

During January 2006, the Company purchased the remaining 75% interest of Windpark Timpberg GmbH & Co Zehnte Wind KG from our Chief Executive Officer for DKK 5,382.

The Chairman of the board of directors and Chief Executive Officer of Aktiv Gruppen Holdings A/S, who is also a director of EuroTrust, was a partner of Interlex Lawyers until December 31, 2005. The Company paid DKK 754 and DKK 1,976 to Interlex Lawyers for legal services during June 30, 2004 and 2005, respectively. The total outstanding payables due to Interlex Lawyers as at June 30, 2004 and June 30, 2005 were DKK 28 and DKK 587, respectively.

### C. INTERESTS OF EXPERTS AND COUNSEL,

Not applicable because this is an Annual Report filed under the Exchange Act of 1934.

## ITEM 8. FINANCIAL INFORMATION

### A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

See Item 18, "Financial Statements" and pages F-1 through F-43 of this report.

### LEGAL PROCEEDINGS

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In 2003, we terminated our contract with PA Tomrerforretning, the general contractor retained by us in connection with the construction of our Rodvig Hytte og Feriecenter real estate development project. We cancelled the contract due to considerable delays and defects with the construction of the project. On October 31, 2005 the High Court of Denmark ordered us to pay DKK 1,300,000 to the guarantor of the general contractor. We appealed immediately to the Supreme Court of Denmark, which appeal is still pending.

Other than as described above, neither we nor our property is a party in any other pending material legal proceeding.

### DIVIDEND PAYMENT POLICY

We have not paid out any dividend to our shareholders in the last three financial years. Payment of any future dividends will depend on our earnings and capital requirements, and other factors our board of directors deem appropriate.

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### B. SIGNIFICANT CHANGES

None

### ITEM 9. THE OFFER AND LISTING

#### A. TITLE

Our ordinary shares are not traded on any stock exchange or over-the-counter market. However, our ADS are traded on the Nasdaq National Market under the symbol "EURO".

On August 29, 2002, we implemented a one for six reverse ratio change in the number of ordinary shares represented by each ADS such that each new ADS issued subsequent to the ratio change will represent six ordinary shares (prior to the ratio change, each ADS represented one ordinary share). Holders of our ADSs prior to the ratio change, each of which represents one ordinary share ("Old ADSs"), exchanged their Old ADSs for new ADSs, each of which represents six ordinary shares ("New ADSs"). On May 19, 2005 our shareholders approved a one for six reverse split of our ordinary shares such that six ordinary shares nominal value DKK 1,25 were combined into one ordinary share nominal value DKK 7,50 ("New Ordinary Shares"). Therefore, each ADS now represents one New Ordinary Share.

On June 30, 2006, there were 28,680,886 New ADSs issued and outstanding representing 28,680,886 ordinary shares. On December 1, 2006 there were 34,246,386 New ADSs issued and outstanding representing 34,246,386 ordinary shares.

The following table sets forth, for the periods indicated, the range of high and low market prices per ADS as quoted on the Nasdaq SmallCap or National Market. The prices shown below (in US Dollars) are adjusted to reflect the 1 for 6 reverse ratio change in our ADSs, described above, and represent quotations among securities dealers, do not include retail markups, markdowns or commissions and may not represent actual transactions.

AMERICAN  
DEPOSITARY  
SHARES

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	HIGH -----	LOW -----
Year Ending June 30, 2002:	\$2.34	\$0.65
Year Ending June 30, 2003:	\$5.95	\$0.46
Year Ending June 30, 2004:	\$5.50	\$1.75
Year Ending June 30, 2005:		
First Quarter	\$4.75	\$4.06
Second Quarter	\$6.00	\$4.40
Third Quarter	\$6.00	\$4.12
Fourth Quarter	\$6.51	\$4.41

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	AMERICAN DEPOSITARY SHARES -----	
	HIGH -----	LOW -----
Year Ending June 30, 2006:		
First Quarter	\$6.97	\$5.40
Second Quarter	\$12.08	\$4.85
Third Quarter	\$13.65	\$10.07
Fourth Quarter	\$18.45	\$12.50
Month Ending:		
December 2006 (as of December 19, 2006)	\$14.99	\$13.39
November 30, 2006	\$15.80	\$12.50
October 31, 2006	\$12.80	\$11.95
September 30, 2006	\$12.41	\$11.27
August 31,, 2006	\$13.19	\$11.38
July 31, 2006	\$14.53	\$12.44

## B. PLAN OF DISTRIBUTION

Not required because this Form 20-F is filed as an Annual Report.

## C. MARKETS

Our ordinary shares are not traded on any stock exchange or over-the-counter market. However, our ADSs are traded on the Nasdaq National Market under the symbol "EURO".

## D. SELLING SHAREHOLDERS

Not required because this Form 20-F is filed as an Annual Report.

## E. DILUTION

Not required because this Form 20-F is filed as an Annual Report.

## F. EXPENSES OF THE ISSUE

Not required because this Form 20-F is filed as an Annual Report.

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### ITEM 10. ADDITIONAL INFORMATION

#### A. SHARE CAPITAL

Not required because this Form 20-F is filed as an Annual Report.

#### B. MEMORANDUM AND ARTICLES OF ASSOCIATION

See Exhibit 1.1.

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#### C. MATERIAL CONTRACTS

- o We purchased all of the remaining issued and outstanding ordinary shares ("Shares") of AGH Nordan Invest A/S, a Denmark corporation, not already owned by us from three selling shareholders pursuant to the following separate Share Purchase Agreements, each dated April 25, 2006, between Eurotrust and:
  - a) Kalodde AS, to purchase 100,000 Shares at a purchase price of 1,060,000 New Ordinary Shares;
  - b) Soprosjekt Holding AS, to purchase 50,000 Shares at a purchase price of 530,000 New Ordinary Shares; and
  - c) Soren Hager Holding 2 ApS, to purchase 100,000 Shares at a purchase price of 1,060,000 New Ordinary Shares.
- o As described above in Section Item 4. B. "Business Overview", in May 2006 we entered into an agreement to acquire a 50.25% interest in European Wind Farms A/S. Pursuant to that agreement we purchased an aggregate of 3,030,000 ordinary shares from European Wind Farms and European Energy Systems A/S for aggregate cash and non-cash consideration equal to DKK 190,029,800.
- o In June 2006, pursuant to a Share Purchase Agreement, we acquired 2S Ejendomsinvest ApS, a Denmark corporation, all of its wholly-owned subsidiaries by purchasing all the issued and outstanding ordinary shares of 2S Ejendomsinvest, a Denmark corporation, at a purchase price of DKK 134,160,000.

#### D. EXCHANGE CONTROLS AND OTHER LIMITATIONS AFFECTING SECURITY HOLDERS

There are no governmental laws, decrees or regulations of the Kingdom of Denmark that restrict the export or import of capital (including, without limitation, foreign exchange controls), or that affect the remittance of dividends, interest or other payments to nonresident holders of ordinary shares. There are no limitations imposed by the laws of the Kingdom of Denmark or our Articles of Association on the right of nonresident or foreign holders to hold or vote ordinary shares.

#### E. TAXATION

The following summary contains a description of the material United States federal income tax and Danish tax consequences of the purchase, ownership

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and disposition of ordinary shares or ADSs by a beneficial owner that (i) is an individual citizen or resident in the United States (for United States federal income tax purposes), a corporation or partnership organized under the laws of the United States or any state thereof, or estates or trusts the income of which is subject to United States federal income tax regardless of its source, (ii) is not also a resident or corporation of Denmark and is not domiciled in Denmark, (iii) does not hold ordinary shares or ADSs in connection with any permanent establishment or fixed base in Denmark, (iv) does not own, and has not owned (directly, indirectly or by attribution) at any time, 10% or more of our total combined voting power or equity, and (v) holds ordinary shares or ADSs as capital assets. The term "United States holder," as used in this summary, means a beneficial owner of ordinary shares or ADSs meeting these requirements.

The following summary of certain United States federal and Danish tax matters is based on tax laws of the United States and Denmark as in effect on the date of this report and the current Income Tax Treaty between the United States and the Kingdom of Denmark (the "Treaty"), which is a generally effective as of January 1, 2001. We cannot assure you that future legislation, regulations, administrative rulings or court decisions will not adversely affect the accuracy of the statements contained in this report. Also, changes in United States and Danish law and the Treaty made after the date of this report could have retroactive effect.

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The following summary does not consider or discuss the tax laws of any country other than the United States or Denmark. This summary does not describe United States federal estate and gift tax considerations, or state, local or provincial tax considerations. Furthermore, it does not address United States federal income tax or Danish tax considerations that apply to United States holders of our ordinary shares or ADSs who are also subject to taxing jurisdictions other than or in addition to the United States. Finally, it does not address all possible categories of United States holders, some of whom (such as financial institutions, trusts, estates, insurance companies, dealers in securities, certain retirement plans and tax exempt organizations) may be subject to special rules.

THE FOLLOWING DISCUSSION DOES NOT PURPORT TO BE EXHAUSTIVE OF ALL POSSIBLE TAX CONSIDERATIONS,. UNITED STATES HOLDERS OF ORDINARY SHARES OR ADSs SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE UNITED STATES, DANISH OR OTHER TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF ORDINARY SHARES OR ADSs.

### UNITED STATES TAX CONSEQUENCES OF OWNERSHIP OF ORDINARY SHARES OR ADSs

**DIVIDENDS.** For United States federal income tax purposes, the gross amount of all dividends (that is, the amount before reduction for Danish withholding tax) paid to a United States holder with respect to ordinary shares or ADSs out of our current or accumulated earnings and profits ("E&P") will be taxable for United States federal income taxation as a foreign source dividend income. As such, these dividends are not eligible for the dividends received deduction otherwise available to United States corporations in connection with dividends received from United States corporations. To the extent that a distribution exceeds E&P, it will be treated first as a return of capital to the extent of the United States holder's basis, and then, as gain from the sale of a capital asset.

For United States federal income tax purposes, the amount of any dividend paid in Danish kroner will be the United States dollar value of the kroner at the exchange rate in effect on the date of receipt, whether or not the

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kroner is converted into United States dollars at that time.

The withholding tax imposed by Denmark generally is a creditable foreign tax for United States federal income tax purposes. As a result, a United States holder generally will be entitled to include the amount withheld as foreign tax paid in computing a foreign tax credit (or in computing a deduction for foreign income taxes paid, if the United States holder does not elect to use the foreign tax credit provisions of the Internal Revenue Code of 1986, as amended (the "Code")). The Code, however, imposes a number of limitations on the use of foreign tax credits, based on the particular facts and circumstances of each taxpayer. United States holders who hold ordinary shares or ADSs should consult their tax advisors regarding the availability of the foreign tax credit.

Backup withholding, imposed at the rate of 31%, may apply to a United States holder in connection with the sale or exchange of ordinary shares or ADSs. Generally, backup withholding does not apply to a United States holder (i) that is a corporation or comes within certain other exempt categories or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules.

SALE OR OTHER DISPOSITION OF ORDINARY SHARES OR ADSs. Gain or loss recognized by a United States holder on the sale or other disposition of ordinary shares or ADSs will be taxable for United States federal income tax purposes as capital gain or loss in an amount equal to the difference between such

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United States holder's basis in the ordinary shares or ADSs and the amount realized on the disposition. The capital gain or loss will be long term if the securities were held for more than 12 months and will be short term if they were held for less than 12 months. Capital losses are generally deductible only against capital gains and not against ordinary income.

Capital gain recognized by a United States holder on the sale or other disposition of ordinary shares or ADSs will be United States source gain. Losses from the sale of ordinary shares or ADSs would generally be sourced in the same manner as gains from the sale of such ordinary shares or ADSs. However, treasury regulations include a dividend recapture rule and other exceptions that may apply. United States holders of ordinary shares or ADSs should consult their tax advisors regarding the proper treatment of such losses.

### DANISH TAX CONSEQUENCES OF OWNERSHIP OF ORDINARY SHARES OR ADSs

DIVIDENDS. For Danish income tax purposes, the gross amount of all distributions made by us to our shareholders is taxed as a dividend. However, a distribution of liquidation proceeds made by us to our shareholders during the calendar year in which we are finally liquidated and dissolved is taxed as capital gain. In addition, the gross amount paid by us to redeem ordinary shares or ADSs are generally taxed as a dividend. However, a shareholder may apply to Danish tax authorities for a ruling allowing for capital gains treatment. If the ruling is obtained before the distribution is decided the ruling includes an exemption from the dividend tax. If the exemption request is granted, the consideration will be taxed as capital gain.

The granting of bonus shares to shareholders, and the right of shareholders to subscribe for ordinary shares or ADSs at a price that is less than the current trading value of such ordinary shares or ADSs, are not considered taxable distributions to shareholders.

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In general, a Danish withholding tax of 28% is levied on all dividends. However, corporate shareholders holding at least 10 % (for 2007 and 2008 at least 15%) of the share capital for a consecutive period for at least one year may be exempt from Danish withholding tax on dividends. The dividend in question must be covered by the double tax treaty between Denmark and United States. Further, a United States holder (individual or a company) may apply to the Danish tax authorities for a partial refund of the dividends tax that has been withheld under the Treaty. If this refund request is granted, the Danish withholding tax on such dividends is effectively reduced to 15%. The rate is reduced to 5% for corporate shareholders holding at least 10% of the share capital. We do not presently contemplate the payment of any dividends on our ordinary shares or ADSs. However, should we decide to make payment of dividend, we will apply to the Danish tax authorities for a blanket exemption allowing us to withhold only 15% of all gross dividends paid to a United States holder. While we believe that such an exemption will be granted, there can be no assurance that this will occur. Shareholders eligible for further reduction must apply individually for such reduction.

SALE OR OTHER DISPOSITION OF ORDINARY SHARES OR ADSs. Capital gains realized by United States holders upon the sale or other disposition of ordinary shares or ADSs may be exempt from Danish tax.

### DANISH SHARE TRANSFER DUTY.

No Danish share transfer duty is levied on the disposal of ordinary shares or ADSs.

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### ESTATE AND GIFT TAXES.

Generally, if a United States holder acquires or disposes of ordinary shares or ADSs by inheritance, legacy or gift, such holder will not be subject to Danish gift or inheritance taxes. If a United States holder should make a gift of ordinary shares or ADSs to any person resident in Denmark the gift can only be subject to Danish gift tax when forming part of the business property of a permanent establishment in Denmark. Other transfers of shares or ADS's shall be taxable only in the state in which the transferor was domiciled at the time of his death or when making the gift according to the United States-Denmark Double Taxation Convention with respect to taxes on estates, inheritance and gifts.

### F. DIVIDENDS AND PAYING AGENTS

Not required because this Form 20-F is filed as an Annual Report.

### G. STATEMENTS BY EXPERTS

Not required because this Form 20-F is filed as an Annual Report.

### H. DOCUMENTS ON DISPLAY

We are subject to the information requirements of the Securities Exchange Act of 1934, as amended and, to the extent required, we file periodic reports and other information with the Securities and Exchange Commission. These reports and information are available and may be copied at the public reference facilities listed below. We intend to give our shareholders annual reports containing audited financial statements and a report thereon from our independent auditors and quarterly reports for the first three quarters of each

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fiscal year containing unaudited interim financial information,

Statements made in this annual report about the contents of contracts or other documents are not necessarily complete and we refer you to the copy of such contracts or other documents filed as exhibits to this annual report.

You can obtain a copy of the exhibits hereto and other information about us at the public reference facilities of the Securities and Exchange Commission located at:

Public Reference Room 1024  
Judiciary Plaza  
450 Fifth Street, N.W.,  
Washington, D.C., 20549

You may obtain information about the operation of the public reference facility by calling the Securities and Exchange Commission at (800) 732-0330.

We will also provide our shareholders with proxy statements prepared according to Danish law. As a Danish company, we are exempt from the Exchange Act rules about the provision and content of proxy statements and about short-swing profit reporting and liability.

### I. SUBSIDIARY INFORMATION

Not applicable

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### ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At June 30, 2006, we did not believe that market risk financial instruments would have a material affect on future operations or cash flows nor did we view currency exchange risk or interest rate risk as material. Operational currency exchange risk would arise if we priced products in one currency while material costs and expenses were denominated in a different currency. We do not believe that the operational currency exchange risk is material. However, from time to time we enter into a contract denominated in a currency other than the currency of operating expenses and, in such cases, may enter into currency forward arrangements with respect to and for the period covering such contract. Throughout the year ended June 30, 2006 and specifically at June 30, 2006, we had no material foreign exchange contracts outstanding.

### ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not required because this Form 20-F is filed as an Annual Report.

## PART II

### ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None

### ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

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### ITEM 15. CONTROLS AND PROCEDURES

- a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES, EuroTrust's management, with the participation of the chief executive officer and the chief financial officer, carried out an evaluation of the effectiveness of EuroTrust's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(e) and 15-d-15(e)) as of the end of the fiscal year covered by this Annual Report (the "Evaluation Date"). Based upon that evaluation, the chief executive officer and the chief financial officer concluded that, as of the Evaluation Date, EuroTrust's disclosure controls and procedures are effective, providing them with material information relating to EuroTrust as required to be disclosed in the reports EuroTrust files or submits under the Exchange Act on a timely basis.
- b) MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING, Not applicable for fiscal years ending before July 15, 2006.
- c) ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM, Not applicable for fiscal years ending before July 15, 2006.
- d) CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING, There were no changes in EuroTrust's internal controls over financial reporting, known to the chief executive officer or the chief

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financial officer, that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, EuroTrust's internal control over financial reporting.

### ITEM 16. RESERVED

#### ITEM 16 A AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that, Mr., John Stuart, is an "audit committee financial expert," as that term is defined in Item 401(h) of Regulation S-K, and "independent" for purposes of current and recently-adopted Nasdaq listing standards and Section 10A(m)(3) of the Securities Exchange Act of 1934.

#### ITEM 16 B CODE OF ETHICS

We have adopted a code of conduct that applies to our principal executive officer, principal financial officer and other persons performing similar functions, as well as all of our other employees and directors, This code of conduct is posted on our website at [www.eurotrust.dk](http://www.eurotrust.dk) and is filed as Exhibit 11.1 to this report.

#### ITEM 16 C PRINCIPAL ACCOUNTANT FEES AND SERVICES

##### AUDIT FEES

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For the fiscal years ended 2005 and 2006, our principal accounting firm, Gregory & Associates, LLC, billed aggregate fees of approximately \$102,555 and \$239,810 respectively for the audit of our 2005 and 2006 financial statements.

### AUDIT-RELATED FEES

None

### TAX FEES

None

### ALL OTHER FEES

None

### AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee charter provides that the Audit Committee will pre-approve audit services and non-audit services to be provided by our independent auditors before the accountant is engaged to render these services other than the minimums non-audit services for which the pre-approval requirements are waived in accordance with the rules and regulations of the SEC. The Audit Committee may consult with management in the decision-making process, but may not delegate this authority to management. The Audit Committee may delegate its authority to pre-approve services to one or more committee members, provided that the designees present the pre-approvals to the full committee at the next committee meeting.

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### ITEM 16D EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not Applicable

### ITEM 16 E PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS NOT APPLICABLE

## PART III

### ITEM 17. FINANCIAL STATEMENTS

See Item 18, below.

### ITEM 18. FINANCIAL STATEMENTS

See the Company's Consolidated Financial Statements, which are incorporated herein by reference and set forth on pages F-1 through F-43.

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### ITEM 19. EXHIBITS

1.1 Amended Articles of Association of the Registrant, as of December 6,



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2001 (1)

1.2 Rules of Procedures of the Registrant, as amended (2)

2.1 Employee and Director Subscription Option Plan (4)

4.5 Form of Employment Agreement between the Registrant and Bo Kristensen effective as of July 1, 2005 \*

4.6 Form of Employment Agreement between the Registrant and Soren Degn, effective as of January 1, 2005 (4)

4.7 Share Purchase Agreement for the purchase of 100,000 ordinary shares of AGH Nordan Invest A/S between the Registrant and Kalodde AS dated April 25, 2006\*

4.8 Share Purchase Agreement for the purchase of 50,000 ordinary shares of AGH Nordan Invest A/S between the Registrant and Sorprosjekt Holding AS dated April 25, 2006\*

4.9 Share Purchase Agreement for the purchase of 100,000 ordinary shares of AGH Nordan Invest A/S between the Registrant and Soren Hager Holding 2 ApS dated April 25, 2006\*

4.10 Share Purchase Agreement for the purchase of 2S Ejendomsinvest ApS dated as of June 2, 2006\*

4.11 Share Purchase Agreement for the purchase of a 50.25% interest of European Wind Energy Farms A/S dated as of May 10, 2006\*

8.1 List of the Subsidiaries of the Registrant \*

11.1 Code of Ethics (3)

12.1 Chief Executive Officer Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) \*

12.2 Chief Financial Officer Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) \*

13.1 Chief Executive Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350\*

13.2 Chief Financial Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350\*

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\* Included herewith.

(1) Filed as an exhibit to the Company's Annual Report on Form 20-F, filed on June 27, 2002, and incorporated by reference herein.

(2) Filed as an exhibit to the Company's original filing of the Registration Statement on Form F-1 (File No. 333-7092), filed on June 20, 1997, and incorporated by reference herein.

(3) Filed as an exhibit to the Company's Annual Report on Form 20-F, filed on September 23, 2003, and incorporated by reference herein.

(4) Filed as an exhibit to the Company's Annual Report on Form 20-F, filed on June 3, 2005, and incorporated by reference herein.

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## SIGNATURES

Pursuant to the requirements of Section 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Kolding, Denmark.

EUROTUST A/S

Dated: December 29, 2006

By: /s/ Bo Kristensen

-----  
Bo Kristensen  
Chief Executive Officer  
(Principal Executive Officer)

Dated: December 29, 2006

By: /s/ Soren Degn

-----  
Soren Degn  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders  
Aktiv Gruppen Holdings A/S and Subsidiaries

We have audited the accompanying consolidated balance sheets of

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EuroTrust A/S and Subsidiaries as of June 30, 2005 and 2006 and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for the years ended June 30, 2004, 2005 and 2006. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company was not required to have, nor were we engaged to perform, an audit of its internal controls over financial reporting. Our audit included consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of EuroTrust A/S and Subsidiaries at June 30, 2005 and 2006 and the consolidated results of its operations and its cash flows for the years ended June 30, 2004, 2005 and 2006, in conformity with accounting principles generally accepted in the United States.

/s/ Gregory & Associates, LLC  
Salt Lake City, Utah  
December 19, 2006

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### EUROTUST A/S AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA AND WHERE OTHERWISE INDICATED)

	JUNE 30,	
	2005	2006
	DKK	DKK
ASSETS		
Current assets:		
Cash and cash equivalents	1,619	129,118
Restricted cash	80,998	436,291
Marketable securities - available for sale	5,003	13,919
Contracts receivable, net of allowances for doubtful accounts of DKK 651 in 2005 and DKK 952 in 2006	34,220	48,750
Notes receivable and accrued interest related party	36,291	0
Construction in progress / Cost in excess of billing	233,838	439,145
Valued added tax receivables	8,310	15,093
Prepaid expenses and deposits	522	10,362
Other receivables	10,333	61,563
	-----	-----

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Total current assets	411,134	1,154,241
Mortgage deed receivables	8,471	109,857
Rent and other long term deposits	293	60,812
Long term investments at cost	0	1,319
Equity method investment	5,872	102,767
Plant and equipment, net	669	10,675
Wind turbines, net	99,239	281,008
Wind turbines deposits	9,334	--
Property held for resale or future development	68,759	210,935
Property on operating lease, net	7,867	10,024
Other intangible assets	0	177,270
Goodwill	0	169,639
	-----	-----
Total assets	611,638	2,288,547
	=====	=====

DKK amounts have been converted into US\$ at an exchange rate of US\$1=DKK 5.8674. The accompanying notes are an integral part of these consolidated financial statements.

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## EUROTUST A/S AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA AND WHERE OTHERWISE INDICATED)

	JUNE 30,	
	2005	2006
	DKK	DKK
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable and other current debt obligations	402,758	1,271,794
Payable for land and subsidiary purchases	0	172,220
Accounts payable, trade	62,255	81,791
Accounts payable, related parties	18	6,859
Accrued expenses	34,866	43,430
Customer deposits	4,458	59,126
Income taxes payable	2,223	147
Deferred taxes liabilities	15,165	25,222
	-----	-----
Total current liabilities	521,743	1,660,589
Long term liabilities:		
Notes payable and other debt, long term	25,366	35,263
Capital lease obligation	0	1,451
Asset retirement obligation	979	1,088
	-----	-----
Total long term liabilities	26,345	37,802
	-----	-----
Total Liabilities	548,088	1,698,391
	-----	-----

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Minority interest in subsidiaries	0	671	
	-----	-----	---
Shareholders' equity:			
Common shares, par value 7,50 DKK 22,050,000 and 57,393,926 authorized 22,050,000 and 33,352,759 shares issued and outstanding at 2005 and 2006	165,375	250,071	
Additional paid-in capital	(159,045)	238,315	
Retained earnings	57,259	103,149	
Cumulative other comprehensive income, net of deferred tax	(39)	(2,050)	
	-----	-----	---
Total shareholders' equity	63,550	589,485	
	-----	-----	---
Total liabilities and shareholders' equity	611,638	2,288,547	
	=====	=====	===

DKK amounts have been converted into US\$ at an exchange rate of US\$1=DKK 5.8674. The accompanying notes are an integral part of these consolidated financial statements.

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## EUROTUST A/S AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (IN THOUSANDS, EXCEPT PER SHARE AND SHARE DATA AND WHERE OTHERWISE INDICATED)

	2004	YEARS EN 2005
	-----	-----
	DKK	DKK
Net sales	295,975	247,333
Operating expenses:		
Cost of sales (exclusive of depreciation)	259,144	173,637
Selling and marketing	1,218	907
General and administrative	5,710	10,352
Depreciation	339	520
	-----	-----
Total operating expenses	266,411	185,416
	-----	-----
Operating income	29,564	61,917
Other income (expenses)		
Interest income	593	1,252

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Interest income - related party	175	1,050
Interest expense	(2,251)	(9,205)
Loss on sale of fixed assets	--	(384)
Loss from sales of businesses	(355)	(37)
Foreign exchange gain (loss)	--	--
Write-up (down) of long term investments	--	(250)
Results of equity method investments	--	122
Other (expenses) income, net	453	(1,423)
	-----	-----
Income before income taxes and minority interest	28,179	53,042
Income tax expense - current and deferred	(7,823)	(15,146)
Minority interest in net income (loss) of subsidiaries	(2,816)	(797)
	-----	-----
NET INCOME	17,540	37,099
	=====	=====
BASIC INCOME PER WEIGHTED AVERAGE COMMON SHARE		
Income from continuing operations	0.80	1.68
	=====	=====
Net income	0.80	1.68
	=====	=====
Weighted average common shares outstanding (in thousands)	22,050	22,050
	=====	=====
DILUTED INCOME PER WEIGHTED AVERAGE COMMON SHARES		
Income from continuing operations	0.80	1.68
	=====	=====
Net income	0.80	1.68
	=====	=====
Weighted average common shares outstanding, assuming dilution (in thousands)	22,050	22,050
	=====	=====

DKK amounts have been converted into US\$ at an exchange rate of US\$1=DKK 5.8674. The accompanying notes are an integral part of these consolidated financial statements.

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EUROTUST A/S AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

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(IN THOUSANDS, EXCEPT PER SHARE DATA AND WHERE OTHERWISE INDICATED)

	COMMON SHARES OUTSTANDING (RESTATED)	COMMON SHARES AMOUNT (RESTATED)	ADDITIONAL PAID-IN CAPITAL (RESTATED)	OTH PRE I
	DKK	DKK	DKK	
BALANCE AT JUNE 30, 2003	22,050,000	165,375	(159,045)	
Unrealized gain on marketable securities	--	--	--	
Net income	--	--	--	
	-----	-----	-----	---
BALANCE AT JUNE 30, 2004	22,050,000	165,375	(159,045)	
Unrealized gain on marketable securities	--	--	--	
Net income	--	--	--	
	-----	-----	-----	---
BALANCE AT JUNE 30, 2005	22,050,000	165,375	(159,045)	
Adjustment of carrying value of wind turbine purchased from a related party to the carryover basis	--	--	(1,758)	
Effect of recapitalization of subsidiary	6,542,759	49,071	71,093	
Issuance of 2,000,000 common shares for cash	2,000,000	15,000	138,022	
Issuance of 100,000 common shares upon the exercise of warrants	100,000	750	2,014	
Issuance of 2,650,000 common shares to acquire the remaining 50% of AGH Norge A/S	2,650,000	19,875	187,989	
Currency translation adjustment	--	--	--	
Unrealized loss on marketable securities, net of deferred taxes	--	--	--	
Net income	--	--	--	
	-----	-----	-----	---
BALANCE AT JUNE 30, 2006	33,342,759	250,071	238,315	
	-----	-----	-----	---
BALANCE AT JUNE 30, 2006	33,352,759	USD 42,620	USD 40,617	U
	-----	-----	-----	---

DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 5.8674. The accompanying notes are an integral part of

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these consolidated financial statements.

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## EUROTUST A/S AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (IN THOUSANDS, EXCEPT PER SHARE DATA AND WHERE OTHERWISE INDICATED)

	2004	YEARS ENDED 2005
	----- DKK	----- DKK
Net income	17,540	37,099
Realized gain on investments net of taxes of DKK 0 in 2004, 2005 and 2006	--	--
Unrealized investment gains (losses) , net of taxes of DKK 0, 0, and 805 in 2004, 2005 and 2006	7	(46)
	-----	-----
Comprehensive net income	17,547	37,053
	=====	=====

DKK amounts have been converted into US\$ at an exchange rate of  
US\$1=DKK 5.8674. The accompanying notes are an integral part of  
these consolidated financial statements.

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## EUROTUST A/S AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS, EXCEPT PER SHARE DATA AND WHERE OTHERWISE INDICATED)

	2004	YEARS ENDED 2005
	----- DKK	----- DKK
Cash flows from operating activities:		
Net income	17,540	37,099
Adjustments to reconcile net loss (income) to cash provided by (used in) operating activities:		
Depreciation, amortization and write down	451	765
Loss on sale of fixed assets	--	384



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Gain on equity method investments	--	--
Interest earned on notes receivable - related party	(176)	(1,050)
Deferred tax	1,230	13,337
Minority interest	2,878	(2,878)
Changes in operating assets and liabilities:	--	
Accounts receivable	(33,833)	(5,238)
Accounts receivable, related parties	--	(65)
VAT receivable	1,433	(3,343)
Cost in excess of Billings	(204,265)	(16,586)
Prepaid expenses	(889)	347
Income tax payable	5,468	166
Other receivables	(17,259)	7,131
Accounts payable	28,165	23,708
Accounts payable, related parties	9,725	(9,701)
Accrued expenses	8,208	(4,800)
Customer Deposits	25,848	(21,390)
	-----	-----
Cash (used in) provided by operating activities	(155,476)	17,886
	=====	=====
Cash flows from investing activities:		
(Purchase of investments) proceeds from sales of investments	(5,880)	(2,368)
(Purchase of property) Proceeds from property held for resale	4,161	10,590
(Payments) Refund of deposits on the purchase of windturbines	--	(9,334)
Cash acquired in business acquisitions	--	1,856
Mortgage deed receivables, net	--	--
Notes receivable related party	(35,000)	--
Purchase of fixed assets	(2,086)	(240)
Proceeds from sales of fixed assets	--	487
	-----	-----
Cash (used in) provided by investing activities:	(38,805)	991
	=====	=====
Cash flows from financing activities:		
Net change in short- and long-term borrowings	253,015	(12,494)

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Proceeds for common stock	--	--
Payment on notes payable related party	(65)	(1,435)
Net change in restricted cash	(55,637)	(6,586)
	-----	-----
Cash provided by (used in) financing activities:	197,313	(20,515)
	=====	=====
Net increase (decrease) in cash and cash equivalents	3,032	(1,638)
Cash and cash equivalents, beginning of period	224	3,256
	-----	-----
Cash and cash equivalents, end of period	3,256	1,618
	=====	=====
Cash paid for interest	1,098	6,844
	=====	=====
Capitalized Interest	8,092	6,330
	=====	=====
Cash paid for taxes	838	1,375
	=====	=====

DKK amounts have been converted into US\$ at an exchange rate of  
\$1=DKK 5.8674. The accompanying notes are an integral part of  
these consolidated financial statements.

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### EUROTUST A/S AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (IN THOUSANDS, EXCEPT PER SHARE DATA AND WHERE OTHERWISE INDICATED)

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### REVERSE ACQUISITION

On April 17, 2006, EuroTrust A/S completed the reverse acquisition of Aktiv Gruppen Holdings A/S, "AGH" through the issuance of 22,050,000 shares (approximately 77% of the issued and outstanding shares after giving effect to the issuance) of EuroTrust A/S. to acquire all the issued and outstanding shares of AGH. In accordance with Generally Accepted Accounting Principles in the United States of America ("US GAAP"), the merger was accounted for as a recapitalization of AGH, wherein AGH became a 100% owned subsidiary of EuroTrust A/S. In connection with the merger EuroTrust effectively changed its fiscal year to June 30, from December 31.

##### DESCRIPTION OF BUSINESS

The terms "EuroTrust A/S", "Company", "us", "we" and "our" as used in this report refer to EuroTrust A/S. and its subsidiaries (the "Company"). EuroTrust A/S and its subsidiaries (the "Company") currently operate in two reportable segments Real Estate Development and Wind Energy.

The Company previously operated two reportable service-based segments: broadcast media with the Danish cable channel DK4 and provided production and broadcasting services in Scandinavia and throughout Europe, until these subsidiaries and assets were sold during April of 2006. The Company also

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provided Internet security products and services in Scandinavia; these operations were sold during 2003 and 2004.

### Real Estate Development

Through our ownership interest in Aktiv Gruppen A/S, corporate joint ventures and other subsidiaries, we own, acquire, and develop real estate on a nationwide basis in Denmark. Through our ownership interest in Bygg og Ejendomsutvikling Sor A/S, corporate joint ventures, cost and equity investments and our other subsidiaries, we own, acquire, and develop real estate in Norway.

Our real estate development segment primarily develops homeowner condominium complexes, single family homes, recreational homes and multi-family rental complexes. The development occurs as we: 1) seek out desirable locations for property development, 2) acquire permission for resale of a finalized development project, 3) acquire the land or options to purchase the land, 4) design the project in cooperation with outside architects and engineers, 5) acquire governmental approval to build the project, 6) pre-sell through local real estate agents a minimum number of units, requiring purchasers to sign a binding sales contract and guarantee, 7) construct the properties through outside construction contractors and 8) sell remaining units if any.

Our real estate segment also leases a 565 square meter office property in K0ge, Denmark.

### Wind Energy

During June 2005, the company entered its second operating segment through the acquisition of six operating wind energy turbines located in windparks in Germany. During 2006, the Company acquired an additional 19 operating wind energy turbines located in Germany. Each respective wind mill or windpark has entered into agreements with German electric utilities, where electricity prices are fixed for a 20-year period and manufacturers have agreed to operate the windparks at a fixed fee. We believe the wind turbines constructed or acquired in Germany can be financed up to 100%, with a fixed interest rate for up to 12-14 years. The company generally acquires a lease for the land for 20 years with two five year extensions, which correlates with the estimated life of the wind turbine.

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### BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared in accordance with ("US GAAP"), and include the accounts of AGH and subsidiaries for the year ending June 30, 2006 and EuroTrust A/S and its majority-owned subsidiaries for the period from date of acquisition on April 17, 2006 to June 30, 2006.

The following is a list of our significant operating subsidiaries and their jurisdiction of incorporation and our ownership interest in those subsidiaries at June 30, 2006:

SUBSIDIARY	COUNTRY OF INCORPORATION	INTEREST OWNERSHIP
Aktiv Gruppen Holdings A/S	Denmark	100%
AGH Norge A/S	Denmark	100% (1) (2)

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Euro909.dk A/S	Denmark	100%
EuroTrust PKI Services A/S	Denmark	100%
Selskabet af 1. Oktober 2004 A/S	Denmark	100%
EuroTrust NetVaulting A/S	Denmark	100%

(1) Formally known as AGH Nordan Invest A/S

(2) 50% owned directly by EuroTrust A/S and 50% owned by Aktiv Gruppen Holdings A/S, a wholly owned subsidiary of EuroTrust

Other significant operating subsidiaries consolidated under Aktiv Gruppen Holdings A/S and its jurisdiction of incorporation and the related Company ownership interest in those subsidiaries at June 30, 2006 are as follows:

SUBSIDIARY -----	COUNTRY OF INCORPORATION -----	INTEREST OWNERSHIP -----
Kronborg Byg ApS	Denmark	100%
Ejendomsselskabet Parkhusene ApS	Denmark	100%
Ejendomsselskabet Faergegardsvej, Vordingborg ApS	Denmark	100%
Ejendomsselskabet Krohaven ApS	Denmark	100%
Erritso Bygade 79 ApS	Denmark	100%
Vognmandsmarken ApS	Denmark	100%
Norrebjerg Boligpark ApS	Denmark	100%
Ejendomsselskabet Strandparken, Stege ApS	Denmark	100%
Ejendomsselskabet Blavand Byferie ApS	Denmark	100%
Ejendomsselskabet Kildevej, Helsingør ApS	Denmark	100%
Ejendomsselskabet Kommandorparken, Solrød ApS	Denmark	100%
Ejendomsselskabet Marienlyst Palæ ApS	Denmark	100%
Ejendomsselskabet Nyrød, Vordingborg ApS	Denmark	100%
Ejendomsselskabet Soparken, Fredensborg ApS	Denmark	100%
Ejendomsselskabet Olbycentervej 65 ApS	Denmark	100%
København's Byejeendomme A/S	Denmark	100%
Ejendomsselskabet Hyltebjerg Alle ApS	Denmark	100%
Win:pro Invent GmbH & Co Zehnte Wind KG	(3) Germany	100%
Sønderborg Havnefront ApS	Denmark	100%
Ejendomsudviklingsselskabet af 2001 A/S	Denmark	100%

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SUBSIDIARY -----	COUNTRY OF INCORPORATION -----	INTEREST OWNERSHIP -----
Aktiv Boligopsparing ApS	Denmark	100%
Alpen Holidays Ferienhauser GmbH	Austria	100%
Delta Byg ApS	Denmark	80%
Delta Houses SIA	(1) Latvia	80%
Aktiv Wind ApS	Denmark	100%
EWf Drei Fünf GmbH & Co. KG	(2) Germany	78%
Win:pro Invent GmbH & Co. Neunte Wind KG	(2) Germany	100%
Aktiv Wind GmbH (1)	(2) Germany	100%
EWf Eins Zwei GmbH & Co KG	(2) Germany	78%
EWf Eins Drei GmbH & Co KG	(2) Germany	78%
EWf Eins Vier GmbH & Co KG	(2) Germany	78%
UW Thrana GmbH & Co KG	(2) Germany	78%
EWf Zwei Eins GmbH & Co KG	(2) Germany	78%
UW Nielitz GmbH & Co KG	(2) Germany	78%

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Komplementarselskabet Difko Buchbrunn I ApS	(2)	Denmark	100%
K/S Difko Buchbrunn I	(2)	Germany	100%
AGH Norge A/S	(4)	Denmark	100%
Nordan Parkhusene ApS	(5)	Denmark	100%
Den Gamle Skibssmedie ApS	(5)	Denmark	100%
Hotel Den Gamle Skibssmedie ApS	(6)	Denmark	100%
Bygg og Ejendomsutvikling Sor A/S	(5)	Norway	100%
Teamhus A/S	(7)	Norway	100%
Topdalfjordens Utvikling AS	(7)	Norway	100%
Romaasen Utvikling AS	(7)	Norway	100%
Drejens Strandskovpark A/S		Denmark	100%
2S Ejendomsinvest ApS		Denmark	100%
Silkegade Invest A/S	(8)	Denmark	100%
RGW A/S	(8)	Denmark	100%
Romo Golf A/S	(8)	Denmark	100%
Romo Golf & Wellness A/S	(8)	Denmark	100%
Romo Ferie ApS	(8)	Denmark	100%
St. Rorbaek Byudvikling ApS		Denmark	100%
St. Rorbaek Byudvikling II ApS		Denmark	100%
St. Rorbaek Byudvikling III ApS		Denmark	100%
Gribskov Bolig ApS		Denmark	100%

- (1) Wholly owned subsidiary of Delta Byg ApS
- (2) Wholly owned subsidiary of Aktiv Wind GmbH
- (3) Wholly owned subsidiary of Hytlebjerg Alle
- (4) 50% owned directly by EuroTrust A/S and 50% owned by Aktiv Gruppen Holdings, A/S
- (5) Wholly owned subsidiary of AGH Norge A/S
- (6) Wholly owned subsidiary of Den Gamle Skibssmedie ApS
- (7) Wholly owned subsidiary of Bygg og Ejendomsutvikling Sor A/S
- (8) Wholly owned subsidiary of 2S Ejendomsinvest ApS

On December 12, 2005, AGH Norge A/S purchased a 100% interest in Bygg og Ejendomsutvikling Sor A/S. On June 1, 2006, the Company purchased the remaining 50% interest of AGH Norge A/S. The Company has consolidated the result of AGH Norge A/S from date of acquisition.

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The minority interests' proportionate share of income or loss of AGH Norge A/S is included in the consolidated statement of operations through May 31, 2006.

The results of operations for 2S Ejendomsinvest ApS have been included in the consolidated statement of operations from the date of acquisition on June 2, 2006 through June 30, 2006.

The results of operations for Gribskov Bolig Aps have been included in the consolidated statement of operations from the date of acquisition on June 16, 2006 through June 30, 2006.

The Company discontinued its Production and Broadcasting Operations with

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the sale of certain production vans during April 2006, and the sale of Europe Vision A/S and subsidiaries effective April 17, 2006.

At June 30, 2006, the Company held a 25% interest in Mediehuset Danmark ApS; the investment is accounted for under the equity method of accounting.

During January 2003, the Company purchased 50% of K0benhavn's Byejeendomme A/S from an entity controlled by a shareholder of the Company for DKK 1 (not in thousands) and acquired an option to purchase the remaining 50% plus the outstanding receivables and payables for DKK 1 (not in thousands), which the Company exercised January 15, 2005. The shares are acquired in order to utilize the net operating loss carry forward in K0benhavn's Byejeendomme A/S. At the time of acquisition the Company recorded contributed capital of DKK 480 in connection with the DKK 1.7 million (not in thousands) net operating loss carry forward. The Company has been consolidated from the date of acquisition as the Company had an effective 100% controlling interest and right to profit and losses.

During 2003, Aktiv Gruppen Holding organized the subsidiary Aktiv Boligopsparing ApS and distributed a 20% interest to each of 4 individuals for DKK 26,000 receivable from each of the individuals; these interests were reacquired from these individuals during 2004 and 2005 in connection with collection of the receivables. The Company consolidated 100% of the DKK 161 losses as required by Financial Accounting Standards Board (FASB) Interpretation No. 46R.

### INFORMATION EXPRESSED IN US DOLLARS

Translation of DKK amounts into US Dollar amounts is included solely for the convenience of the reader and has been made at the rate of 5.8674 DKK to one US Dollar, the approximate exchange rate at June 30, 2006. Such translation should not be construed as a representation that the DKK amounts could be converted into US Dollars at that or any other rate.

### USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used when accounting for items and matters such as the timing of the recognition of revenues and estimated costs based upon the percentage of completion, allowance for uncollectible accounts, amortization, asset valuations, impairment assessments, taxes, guarantees and contingencies. Management bases its estimates on historical experience and on other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

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### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and short-term deposits with maturities of less than three months at the time of purchase.

### RESTRICTED CASH

Restricted cash as of June 30, 2006 and 2005 includes customer deposit

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construction credits and bank deposits which are held as collateral for the underlying mortgage and construction loans.

### MARKETABLE SECURITIES - AVAILABLE FOR SALE

The Company accounts for debt and equity investments in Marketable securities in accordance with Statement of Financial Accounting Standard. (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities". Under SFAS 115 the Company's investments in public companies or securities are classified as "available-for-sale". These investments are carried at fair value based on quoted market prices. We review the marketable equity holdings in publicly traded companies on a regular basis to determine if any of the marketable securities have experienced an other-than-temporary decline in its fair value. We consider the investee company's cash position, earnings and revenue outlook, stock price performance over the past six months, liquidity and management, among other factors, when reviewing the marketable equity securities. If it is determined that an other-than-temporary decline in fair value exists in a marketable equity security, we record an investment loss in the consolidated statement of operations. Marketable securities are classified as current if the Company has the ability or intention of selling the security within 12 months.

### EQUITY METHOD INVESTMENTS

Investments in corporate joint ventures, non-public companies or public companies in which we are significant shareholder but less than majority are included in long-term investments in the consolidated balance sheet and are accounted for under the cost method if our percentage ownership is 20% or less or the equity method if our ownership is in excess of 20 but less than 50% and in which we do not have significant ability to influence management. For non-quoted investments, we regularly review the assumptions underlying the operating performance and cash flow forecasts based on information requested from these privately held companies. Generally, this information may be more limited, may not be as timely as and may be less accurate than information available from publicly traded companies. Assessing each investment's carrying value requires significant judgment by management. If it is determined that there is an other-than-temporary decline in the fair value of a non-public equity security, we write-down the investment to its fair value and record the related write-down as an investment loss in the consolidated statement of operations.

As of June 30, 2006 investments in non consolidated entities included:

ENTITY	NATION	% OWNERSHIP
Europe Vision PLC (Formerly Tritel Investments, Inc.)	Sweden	22.95%
Windpark Wriezener Hohe GmbH & Co KG	Denmark	50.00%
Mediehuset Danmark ApS	Denmark	25.00%

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### CONTRACT & OTHER ACCOUNTS RECEIVABLE

Trade accounts receivable are recorded at the amount invoiced to customers and they do not bear interest. The allowance for doubtful accounts is the Company's best estimate of amount of probable losses resulting from the inability of our customers to make required payments. We regularly review the adequacy of our accounts receivable allowance after considering the size of the accounts receivable balance, each customer's expected ability to pay and our collection history with each customer. We review significant invoices that are

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past due to determine if an allowance is appropriate based on the risk category using the factors described above. The Company's policy for putting the loan on non-accrual status and to record an allowance for doubtful accounts is based upon management's best estimate of the amount of probable losses resulting from the purchaser's inability to make required payments.

The following includes the changes in the allowance for doubtful accounts for the years ended June 30, 2004 to June 30, 2006:

	Balance at July 1 -----	Amounts charged (credited) to Operating Expenses	Write-offs	Balance at June 30 -----
Allowance for doubtful accounts:				
Year ended June 30, 2004	595	208	--	803
Year ended June 30, 2005	803	200	(352)	651
Year ended June 30, 2006	651	887	(586)	952

### NOTES RECEIVABLE AND NOTES RECEIVABLE RELATED PARTY

During 2004, the Company loaned to companies controlled by each of the five 20% shareholders of Aktiv Gruppen DKK 7,000 each for a total of DKK 36,291 with the related accrued interest at June 30, 2005. The notes accrue interest at a rate of 3% per annum, payable on demand and are secured by marketable securities held by the controlled companies. During December 2005, the balance of the receivables was collected.

Notes receivable were recorded as a result of the sale of Virus 112 and totaled DKK 10,450 and 5,750 at June 30, 2005 and 2006, respectively. Interest of 6% per annum is recorded and receivable on a quarterly basis. Principal payments of DKK 550 are payable quarterly beginning March 31, 2005 through December 31, 2009. During 2006, a payment of DKK 2,500 was credited against the balance for brokerage commissions toward the purchase of property, the Company also recorded a discount of DKK 250 to reflect a discount given on the full payment of the note during August 2006.

### MORTGAGE LOANS RECEIVABLE

Mortgage loans receivable represent a note received from the sale of real estate owned by the Company. All of the loans are secured by First Deeds of Trust in real property and are carried at unpaid principal. The Company monitors the recoverability of its loans and notes receivable. Interest on mortgage loans is recognized as revenue as it accrues during the period the loan is outstanding. Mortgage loans receivable are evaluated periodically for impairment. If it becomes evident that the borrower is unable to meet its debt service obligations and cannot satisfy its payments using sources other than sales or operations of the property securing the loan, such loan will be considered impaired. In that event, interest income on impaired loans will cease to accrue and the recorded amount will be reduced to the fair value of the collateral securing it.

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### PROPERTIES HELD FOR SALE OR FUTURE DEVELOPMENT

Real estate inventory held for current sale or future development includes land, land development and carrying costs, including real estate taxes and assessments, management fees and other directly related costs incurred. It



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also includes the non-refundable deposits on land for future development. Costs are allocated to individual units based on the specific identification or relative sales value method. Real estate inventory held for current sale and land held for future development is carried at the lower of cost or fair market value. Impairment is recognized when estimated expected future cash flows (undiscounted and without interest charges) are less than the carrying amount of the project. Due to uncertainties inherent in the valuation process and in the economy, it is reasonably possible that the actual sales values and profits of the Company's inventory of land held for current sale and future development could be materially different than current expectations. To the extent that impairment has occurred, the excess of the carrying amount of such property over its estimated fair value, less estimated selling costs, will be charged to operations. As of June 30, 2006 and 2005, the Company's management believed that there was no impairment on the carrying value of real estate.

### PROPERTY ON OPERATING LEASE

Property on operating lease is stated at cost, net of accumulated depreciation, unless circumstances indicate that cost, net of accumulated depreciation, cannot be recovered from estimated future undiscounted cash flows, in which case, the carrying value of the property is reduced to its estimated fair value. Due to uncertainties inherent in the valuation process and in the economy, it is reasonably possible that the actual results of operating and disposing of the Company's property could be materially different than current expectations. At June 30, 2006 and 2005, the Company's management believed that there was no impairment on the carrying value of the property. Depreciation of the building and improvements is provided using the straight line method over 30 years - the estimated useful lives of the respective assets.

### PLANT AND EQUIPMENT

Plant, equipment, furniture and fixtures, automobiles and leasehold improvements are carried at cost less accumulated depreciation.

Equipment, furniture and fixtures and automobiles are depreciated on a straight-line basis over the expected useful lives of between three and ten years. Leasehold improvements are amortized over the shorter of their expected lives, which is ten years or the non-cancelable term of the leases.

### IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with SFAS No. 144, long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge

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is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated. The depreciable basis of assets that are impaired and continue in use is their respective fair values

### GOODWILL AND OTHER DEFINITE LIFE INTANGIBLE ASSETS

Goodwill represents the excess of costs over the fair value of the identifiable net assets of businesses or remaining interest of businesses acquired. Other definite life intangibles assets consisted in 2006 of amounts paid for the rights to acquire land and the allocation of purchase price in asset and subsidiary acquisition to development rights in specific real estate development projects. The Company accounts for Goodwill and Other Intangible Assets in accordance with SFAS No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS, and accordingly Goodwill and indefinite intangible assets are tested for impairment at least annually or when circumstances change that could result in impairment; definite-life intangible assets with estimable useful lives are amortized over their respective estimated useful lives, and reviewed for impairment in accordance with SFAS No. 144, Accounting for Impairment or Disposal of Long-Lived Assets.

### REVENUE RECOGNITION LONG TERM CONTRACT

#### Real Estate development

Revenues from real estate development contracts are recognized on the percentage-of-completion method, measured by the percentage of project / construction costs incurred to date to estimated total project / construction costs for each contract multiplied by the ratio of the number of units sold over the total number of units on a project by project basis. This method is used because management considers costs incurred to be the best available measure of progress on contracts in process.

Construction costs of projects under contract include all direct material and labor costs and those indirect costs related to contract performance. Directly related selling, general, and administrative costs are capitalized and accreted included in cost of sales charged to expense as incurred. Provisions for estimated losses on the incomplete contracts are made in the period in which such losses are determined. Changes in estimated profitability are recognized in the period in which the revisions are determined. The aggregate of costs incurred and income recognized on incomplete contracts in excess of billings on uncompleted contracts is shown as a current asset. The aggregate of billings in excess of related costs incurred and income recognized would be shown as a current liability.

All leases are classified as operating leases and minimum rents are recognized on a straight-line basis over the lease terms, commencing on the date that possession is taken by the tenant.

Tenant reimbursements for real estate taxes, common area maintenance and other recoverable costs are recognized in the period that the expenses are incurred. Lease termination fees, which are included in other income in the accompanying consolidated and combined statements of operations, are recognized when the related leases are cancelled and we have no continuing obligation to provide services to such former tenants.

#### Wind Energy

The Company recognizes revenue from the generation of wind energy in

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accordance with the terms of the individual wind turbines or windpark contracts with the German Electric Utility Companies. These

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contracts contain a 20 year fixed floor price to be paid per kilowatt hour delivered. Revenue is recognized upon delivery of the electricity to the electric utility substation and collection is probable.

### ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising expenses totaled, DKK 7.8 million (not in thousands) and DKK 10.8 million (not in thousands) at June 30, 2005 and 2006, respectively. In the consolidated statements of operation advertising costs directly related to specific real estate projects are included under cost of sales.

### INCOME TAXES

The Company utilizes the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and to operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company records a valuation allowance to reduce deferred tax assets to an amount in which realization is more likely than not.

### CONCENTRATION OF CREDIT RISK

Cash and cash equivalents are, for the most part, maintained with several major financial institutions in Scandinavia. These balances are insured up to DKK 300 per account.

A majority of the Company's current real estate development is located within Denmark.

All of the Company's wind turbines are located in Germany.

### ASSET RETIREMENT OBLIGATIONS

The Company's wind turbines are located on property leased from third parties. We are obligated to remove the wind turbine upon expiration. We account for these estimated obligations in accordance with Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143) and Financial Accounting Standards Board (FASB) Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations". SFAS No. 143 requires the accrual of the present value of the future estimated asset retirement obligations at installation, with an offsetting amount booked as additions to property & equipment. The estimated obligation is accreted to expense over the estimated life of the assets for the increase in the present value of the obligation.

### STOCK OPTIONS

The Company has stock option plans that provide for stock-based employee

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compensation, including the granting of stock options, to certain key employees [See Note 17]. Prior to January 1, 2006, the Company applied APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related Interpretations in accounting for awards made under the Company's stock-based compensation plans.

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Under this method, compensation expense was recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price.

During the periods presented in the accompanying financial statements, the Company has granted options in connection with the reverse acquisition of EuroTrust A/S. The Company has adopted the provisions of SFAS No. 123R using the modified-prospective transition method and the disclosures that follow are based on applying SFAS No. 123R. Under this transition method, compensation expense recognized during the year ended June 30, 2006 included: (a) compensation expense for all share-based awards granted prior to, but not yet vested as of January 1, 2006, and (b) compensation expense for all share-based awards granted on or after July 1, 2005. Accordingly, no compensation cost has been recognized for grants of options to employees and directors in the accompanying statements of operations with an associated recognized tax benefit of DKK 0 of which DKK 0 was capitalized as an asset for the period ended June 30, 2006. In accordance with the modified-prospective transition method, the Company's financial statements for the prior year have not been restated to reflect, and do not include, the impact of SFAS 123R. Aktiv Gruppen Holdings A/S prior to the reverse acquisition, had not issued any options and thus had not recorded any compensation cost for the stock option.

### RESTATEMENT

The common shares outstanding, common stock and additional paid in capital have been restated in the June 30, 2005 and 2004 financial statements to reflect the 22, 050,000 shares par value of DKK7.50 per share issued for the 10,000 shares par value of DKK 100 per share of Aktiv Gruppen Holding A/S in connection with the reverse acquisition.

### PENSIONS AND OTHER POST-RETIREMENT AND POST-EMPLOYMENT BENEFITS

The Company contributes to insurance companies for defined contribution pension benefits agreements between employees and insurance companies. The Company's contributions are expensed as incurred. The Company has no future liabilities related to pensions beyond the contribution.

Other than the pension benefits described above, the Company does not provide its employees with post-retirement and post-employment benefits.

### RECLASSIFICATIONS

Certain balances in the financial statements for June 30, 2004 and 2005 have been reclassified to conform to the headings and classifications used in the June 30, 2006 financial statements.

### RECENTLY ISSUED ACCOUNTING STANDARDS

In September 2006, the Chief Accountant of the SEC issued a letter regarding the accounting implications of certain option granting practices of which the SEC staff has become aware, many of which affect the determination of an option's measurement date. Although not yet embodied in a separate accounting pronouncement, the Chief Accountant's letter elaborates on the staff's view as to accounting issues related to APB Opinion 25, "Accounting for Stock Issued to

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Employees", should a registrant's practices related to such matters be reviewed. The Company is evaluating the impact of the Chief Accountant's letter, but does not presently believe that its consolidated financial statements will be effected thereby.

In September 2006, the SEC staff issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." SAB 108 was issued to provide consistency between how registrants quantify financial statement misstatements. SAB 108 established an approach that requires quantification of financial

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statement misstatements based on the effects of the misstatement on each of the Company's financial statements and the related financial statement disclosures. This approach is commonly referred to as the "dual approach" because it requires quantification of errors under two widely-used methods for quantifying the effects of financial statement misstatements, generally referred to as the "roll-over" and "iron curtain" methods. SAB 108 allows registrants to initially apply the dual approach either by (1) retroactively adjusting prior financial statements as if the dual approach had always been used or by (2) recording the cumulative effect of initially applying the dual approach as adjustments to the carrying values of assets and liabilities as of January 1, 2006 with an offsetting adjustment recorded to the opening balance of retained earnings. Use of this "cumulative effect" transition method requires detailed disclosure of the nature and amount of each individual error being corrected through the cumulative adjustment and how and when it arose. The Company expects to apply SAB 108 using the cumulative effect transition method in connection with the preparation of its annual financial statements for the year ending June 30, 2007. When the Company initially applies the provisions of SAB 108, it does not presently expect to record any effects of financial statement misstatements.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first, evaluating whether a tax position has met a more-likely-than-not recognition threshold, and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on de-recognition, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for the Company beginning July 1, 2007. Management is currently reviewing FIN 48 to determine the impact of adopting it and its materiality to the Company.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments, an amendment of FASB statements No. 133 and 140" (SFAS 155). SFAS No. 155 allows financial instruments that have embedded derivatives to be accounted for as a whole (eliminating the need to bifurcate the derivative from its host) as long as the entire instrument is valued on a fair value basis. The statement also resolves and clarifies other specific SFAS No. 133 and SFAS No. 140 related issues. SFAS No. 155 is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006. We will be required to adopt SFAS No. 155 on July 1, 2007 and do not expect that it will have a material effect on our Consolidated Financial Statements.

On September 28, 2005, the FASB ratified the following consensus reached in EITF Issue 05-8 ("Income Tax Consequences of Issuing Convertible Debt with a

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Beneficial Conversion Feature"): a) The issuance of convertible debt with a beneficial conversion feature results in a basis difference in applying FASB Statement of Financial Accounting Standards SFAS No. 109, Accounting for Income Taxes. Recognition of such a feature effectively creates a debt instrument and a separate equity instrument for book purposes, whereas the convertible debt is treated entirely as a debt instrument for income tax purposes. b) The resulting basis difference should be deemed a temporary difference because it will result in a taxable amount when the recorded amount of the liability is recovered or settled. c) Recognition of deferred taxes for the temporary difference should be reported as an adjustment to additional paid-in capital. This consensus is effective in the first interim or annual reporting period commencing after December 15, 2005, with early application permitted. The effect of applying the consensus should be accounted for retroactively to all debt instruments containing a beneficial conversion feature that are subject to EITF Issue 00-27, "Application of Issue No. 98-5 to Certain Convertible Debt Instruments" (and thus is applicable to debt instruments converted or extinguished in prior periods but which are still presented in the financial statements). The adoption of this pronouncement is not expected to have a material impact on the Company's financial statements.

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The Emerging Issues Task Force ("EITF") reached a tentative conclusion on EITF Issue No. 05-1, "Accounting for the Conversion of an Instrument That Becomes Convertible upon the Issuer's Exercise of a Call Option" that no gain or loss should be recognized upon the conversion of an instrument that becomes convertible as a result of an issuer's exercise of a call option pursuant to the original terms of the instrument. The application of this pronouncement is not expected to have an impact on the Company's consolidated financial statements.

In November 2005, the Financial Accounting Standards Board ("FASB") issued FSP FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("FSP 115-1 and 124-1"), which clarifies when an investment is considered impaired, whether the impairment is other than temporary, and the measurement of an impairment loss. It also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. FSP 115-1 and 124-1 are effective for all reporting periods beginning after December 15, 2005. Management does not currently expect that implementation of these statements will have a significant impact on the Company's consolidated financial position or results of operations.

In June 2005, the FASB ratified EITF Issue No. 05-2, "The Meaning of 'Conventional Convertible Debt Instrument' in EITF Issue No. 00-19, 'Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock'" ("EITF No. 05-2"), which addresses when a convertible debt instrument should be considered 'conventional' for the purpose of applying the guidance in EITF No. 00-19. EITF No. 05-2 also retained the exemption under EITF No. 00-19. EITF No. 05-2 is effective for new instruments entered into and instruments modified in periods beginning after June 29, 2005. The Company has applied the requirements of EITF No. 05-2 since the required implementation date. The adoption of this pronouncement did not have an impact on the Company's consolidated financial statements.

In May 2005, the Financial Accounting Standards Board ("FASB") issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS No. 154"), which replaces APB Opinion No. 20, "Accounting Changes", and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements-An Amendment of APB Opinion No. 28". SFAS No. 154 provides guidance on the accounting for and reporting of

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accounting changes and error corrections. It establishes retrospective application, or the latest practicable date, as the required method for reporting a change in accounting principle and the reporting of a correction of an error. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005 and was adopted by the Company on July 1, 2006. Management is currently reviewing SFAS No. 154 to determine the effect of adopting it, but does not currently expect that it will have a material impact on the Company's consolidated results of operations and financial condition.

EITF Issue No. 05-4 "The Effect of a Liquidated Damages Clause on a Freestanding Financial Instrument Subject to EITF Issue No. 00-19, 'Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock'" ("EITF No. 05-4") addresses financial instruments, such as stock purchase warrants, which are accounted for under EITF 00-19 that may be issued at the same time and in contemplation of a registration rights agreement that includes a liquidated damages clause. The consensus of EITF No. 05-4 has not been finalized. The Company does not believe the adoption of this pronouncement will have an impact on the Company's consolidated financial statements.

In September 2005, the FASB ratified EITF Issue No. 05-7, "Accounting for Modifications to Conversion Options Embedded in Debt Instruments and Related Issues" ("EITF No. 05-7"), which addresses whether a modification to a conversion option that changes its fair value affects the recognition of interest expense for the associated debt instrument after the modification and whether a borrower

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should recognize a beneficial conversion feature, not a debt extinguishment, if a debt modification increases the intrinsic value of the debt. EITF No. 05-7 is effective for the first interim or annual reporting period beginning after December 15, 2005. The Company is currently in the process of evaluating the effect that the adoption of this pronouncement will have on its financial statements.

### 2. MARKETABLE SECURITIES

The following is a summary of available-for-sale investments held as long-term assets (in DKK):

	COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	FAIR VALUE
	-----	-----	-----	-----
June 30, 2005:				
Shares in Forstaedernes Bank	50	49	0	99
Bonds in Dexia Dannevirke	3,000	0	(88)	2,912
Bonds in Nordnet-Euro	1,318	0	0	1,318
Bonds in Nordnet-Medium	674	0	0	674
	-----	-----	-----	-----
Total short-term investments	5,042	49	(88)	5,003
	-----	-----	-----	-----
June 30, 2006:				
Shares in Forstaedernes Bank	50	73	0	123
Bonds in Dexia Dannevirke	16,000	0	(3,020)	12,980

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Notabene.net A/S	740	76	0	816
	-----	-----	-----	-----
Total short-term investments	16,790	149	(3,020)	13,919
	-----	-----	-----	-----

The unrealized loss on the available-for-sale investment securities is included in other cumulative comprehensive income during 2005 and 2006. Bonds held in Dexia Dannevirke with a total cost price of DKK 3,000 are held as collateral for notes payable.

### 3. EQUITY METHOD INVESTMENTS IN UNCONSOLIDATED COMPANIES

The following is a summary of equity method investments (in DKK)

	JUNE 30,	
	2005	2006
	-----	-----
Mediehuset Danmark ApS	--	2,099
Windpark Timpberg GmbH & Co Zehnte Wind KG	1,276	--
Ejendomsselskabet Toftevej A/S	4,336	--
AGH Norge A/S	260	--
Europe Vision Plc	--	78,555
Windpark Wriezener Hohe GmbH	--	21,277
Kirkeveien 18 AS	--	632
Romasen Utvikling AS	--	192
Rosfjord Ferieeiendom	--	12
	-----	-----
	5,872	102,767
	-----	-----

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#### MEDIEHUSET DANMARK ApS

During 2003 EuroTrust A/S invested 1.5 million DKK for a 25% ownership of Mediehuset Danmark ApS. At the date of purchase the purchase price exceeded 25% of the net equity of Mediehuset Danmark ApS by DKK 998. The Company's Equity in earnings of Mediehuset Danmark ApS for the year ended September 30, 2005 and 2004 was DKK 461 and DKK 138, respectively.

#### WINDPARK TIMPBERG GMBH & CO ZEHNTE WIND KG

During 2006, the Company purchased the remaining 75% ownership interest in the Timpberg #10 windmill for DKK 5,382 to become the 100% owner. At June 30, 2005 the Company had a 25% ownership interest in the wind turbine.

#### EJENDOMSSELSKABET TOFTEVEJ A/S

During the year ended June 30, 2006, the company sold their ownership interest in Ejendomsselskabet Toftevej A/S and recognized a loss of DKK 146 on the sale.

#### AGH NORGE A/S

The Company acquired the remaining 50% ownership interest through our subsidiary Aktiv Gruppen Holding during the year ended June 30, 2006. The purchase price was 2,650,000 shares in EuroTrust. AGH Norge A/S is now owned 50%



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by EuroTrust and 50% by Aktiv Gruppen Holding.

### EUROPE VISION PLC

At June 30, 2006, the Company holds 31,250,000 shares of Europe Vision Plc (Formerly Tritel Media AB, approximately 23% of the shares outstanding of Europe Vision Plc). The Company received the shares upon the sale of all the issued and outstanding shares of its former subsidiary Euro-Vision A/S. The valuation of the shares is treated as a cost investment until the shares are sold.

### WINDPARK WRIEZENER HOHE GMBH

Through our 100% owned subsidiary Aktiv Wind ApS we own 50.00% of Windpark Wriezener Hohe GmbH & Co KG, which owns 13 wind turbines with a total capacity of 26MW.

### KIRKEVEIEN 18 AS

Through our 100% owned subsidiary AGH Norge A/S, we own 50% of Kirkeveien 18 AS, which is building 12 apartments in Baerum, Norway.

### ROMASEN UTVIKLING AS

Through our 100% owned subsidiary AGH Norge A/S, we own 33.33% of Romasen Utvikling AS, which is building 70 houses in Lyngdal, Norway.

### ROSFJORD FERIEEIENDOM

Through our 100% owned subsidiary AGH Norge A/S, we own 11.7% of Rosfjord Ferieeiendom, which is building 12 cottages in Lyngdal, Norway.

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## 4. CONTRACT RECEIVABLES

Contract receivables consist of the following at June 30, 2005 and 2006:

	2005	2006
	-----	-----
Completed contracts	34,871	49,702
	-----	-----
	34,871	49,702
Less allowance for doubtful accounts	(651)	(952)
	-----	-----
	34,220	48,750
	=====	=====

## 5. PLANT AND EQUIPMENT

Property, plant and equipment include the following (in DKK):

	JUNE 30,
Estimated	-----
Life	
	2005                      2006
	-----                      -----

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Furniture and fixtures	3 to 5 years	525	5,508
Automobiles	5 years	627	5,455
Property	30 years	--	1,862
		-----	-----
		1,152	12,825
Less accumulated depreciation and amortization		(483)	(2,150)
		-----	-----
Net plant and equipment		669	10,675
		=====	=====
Depreciation expense		520	681
		=====	=====

### 6. WIND TURBINES

Wind turbines include the following (in DKK):

		JUNE 30,	
	Estimated Life	2005	2006
		-----	-----
Wind turbines	25 years	99,239	285,337
		-----	-----
		99,239	285,337
Less accumulated depreciation and amortization		--	(4,329)
		-----	-----
Net property, plant and equipment		99,239	281,008
		=====	=====
Depreciation expense		--	5,136
		=====	=====

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The wind turbines are held as collateral on notes payable (See Note 12). During 2006, The Company sold three wind turbines with a net book value of DKK 55.1 million and recorded a loss on sale of DKK 200. No depreciation was recorded during 2005 as the wind turbines were purchased at the end of June.

### 7. GOODWILL / DEFINITE - LIFE INTANGIBLE ASSETS

Goodwill relating to the purchase of the Company's Norwegian activity consisted of the following (in DKK):

	JUNE 30,	
	2005	2006
	-----	-----
BALANCE AT THE BEGINNING OF THE YEAR	--	--
CHANGES:		
Additions	--	169,639
Disposals	--	--
Impairment	--	--

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BALANCE AT THE END OF THE YEAR	-----	-----
	--	169,639
	-----	-----

During the fourth quarter of 2006, the Company performed the annual impairment test and recorded an impairment charge of DKK 0 and DKK 0, respectively.

Fair value was estimated for each reporting unit, within EuroTrust, using the expected present value of discounted future cash flows the unit is expected to generate over its remaining life. When making these estimates, we were required to make estimates of future operating trends and judgments on discount rates and other variables. Actual future results and other assumed variables could differ from these estimates. The assumptions supporting the estimated future cash flows, including the discount rate and estimated terminal values, reflect management's best estimates.

## DEFINITE - LIFE INTANGIBLE ASSETS

The Company has classified its intangible assets as a definite-life intangible asset and is amortizing them based upon the revenues realized per year over the estimated total revenues to be realized from the underlying real estate projects. These projects are estimated to be sold over the next fifteen years. During the fourth quarter of 2006 the Company completed its initial test of intangible assets for impairment in accordance with SFAS No. 142. The Company used the estimated future cash flows to test the remaining intangible assets for impairment and determined that the Company's intangible assets were not impaired. Amortization expense of DKK 960 was recorded for the year ended June 30, 2006 and 2005 and has been included in cost of goods sold. The following is a summary of intangibles at June 30,:

	JUNE 30,	
	2005	2006
	-----	-----
Allocation of purchase price for rights to complete projects		
Projects:		
Norway projects	--	54,750
2S Wellness Center , 200 Holiday condos and other projects under development	--	102,488
Gribskov Bolig development	--	20,992
	-----	-----
	--	178,230
Less Accumulated amortization	(960)	
	-----	-----
BALANCE , NET	--	177,270
	-----	-----

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The remaining estimated aggregate amortization expense for next five years and thereafter is as follows at June 30, 2006:

2007	85,213
2008	44,346
2009	14,015
2010	2,808
2011	2,808

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Thereafter	28,080
	-----
	177,270
	-----

## 8 - PROPERTY ON OPERATING LEASE

The Company is a lessor of a 565 square meter office building in K0ge, Denmark and two 99 square meter hotel/holiday apartments in Faborg, Denmark. The leases call for monthly rentals to be received of approximately DKK 52 and expire January 15, 2009 for the office building and total monthly rentals of approximately DKK 15 for the two hotel/holiday apartments.

Minimum future rentals to be received on the non-cancelable lease of the office building as of June 30, 2006 for each of the next five years and in the aggregate are as follows, whereas the hotel/holiday apartments are considered on a short term (1 year) lease:

	DKK
	-----
June 30, 2007	813
June 30, 2008	639
June 30, 2009	335
June 30, 2010	--
Thereafter	--
	-----
Total Minimum Lease Payments	1,787
	-----

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Property underlying an operating lease consists of the following:

	JUNE 30,	
	2005	2006
	-----	-----
Land	870	1,007
Building	7,354	9,687
	-----	-----
	8,224	10,694
Less accumulated depreciation	(357)	(670)
	-----	-----
Net property on operating lease	7,867	10,024
	=====	=====
Depreciation (included in cost of sales)	245	313
	=====	=====

The land and building are held as collateral on a note payable for Ejendomsselskabet Olbycentervej 65 ApS and Kronborg Byg ApS (See Note 12).

## 9. PROPERTY HELD FOR RESALE AND FUTURE DEVELOPMENT

Real estate held for current sale consisted of the following:

JUNE 30,

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	2005	2006
Recreational condominiums	64,673	--
Land	4,086	151,346
Golf course	--	59,589
	68,759	210,935

The land and buildings are held as collateral on a note payable for Sonderborg Havnefront ApS, Aktiv Boligopsparing ApS, Store Rorbaek Byudvikling I ApS, Store Rorbaek Byudvikling II ApS, 2S Ejendomsinvest ApS and Alpen Holidays Ferienhauser GmbH (See Note 12).

## 10. BUSINESS ACQUISITIONS AND DIVESTITURES

### ACQUISITIONS DURING 2005/06

On May 29, 2006, EuroTrust A/S purchased the remaining 50% of AGH Norge A/S from Soren Hager Holding 2 ApS, Kalodde AS and Sorprosjekt Holding AS and thereby became the 100% owner through our subsidiary Aktiv Gruppen Holding A/S. The purchase price was 2,650,000 shares in EuroTrust. An amount of DKK 155,528 was recorded as goodwill and an amount of DKK 55,000 was allocated to projects in connection with the purchase. The shares were acquired to gain an entrance with established operations into the Norwegian real estate market.

On June 2, 2006, Aktiv Gruppen Holding A/S purchased 100% of the shares in 2S Ejendomsinvest ApS from Hans Schmidt Holding A/S and VIDA Holding ApS. The purchase price was DKK 134,160. An amount of DKK 132,488 was allocated to projects in connection with the purchase. The shares were acquired to ensure a further development of our Real Estate business in Denmark.

On June 11, 2006, Aktiv Gruppen Holding A/S purchased 100% of the shares in Gribskov Bolig ApS Toki Pant A/S and VIDA Milkap ApS. The purchase price was DKK 21,256. An amount of DKK 20,992, was allocated to projects in connection with the purchase. The shares were acquired to ensure a further development of our Real Estate business in Denmark.

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	AGH NORDAN INVEST	2S EJENDOMS INVEST APS	K/S DIFKO BUCH BRUNN I	WINDPARK TIMPBERG GMBH & CO ZEHNTE KG	ST. RORBAEK BYUDVIK LING APS	ST. RORBAEK BYUDVIK LING II APS
ENTITY ACQUIRED						
Percentage Ownership						
Acquired	100%	100%	100%	75%	100%	100%
Purchase Price Paid in DKK	208,000	134,16	0	5,382	125	125
Date of Acquisition	May 29,	June 2,	Jan. 24,	Jan. 2,	May 1,	May 1,

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	2006	2006	2006	2006	2006	2006
	-----	-----	-----	-----	-----	-----
Cash & restricted cash	121,420	56,275	1,012	748	--	--
Other current assets	--	11,896	2,012	62	20	--
Receivables	5,775	421	--	230	--	--
Construction in progress	97,185	307,403	--	--	--	--
Property & equipment	71	64,151	--	--	5,807	2,52
Wind Turbines	--	--	30,109	15,148	--	--
Goodwill	172,312	--	--	--	--	--
	-----	-----	-----	-----	-----	-----
Total assets acquired	396,763	440,146	33,133	16,188	5,827	2,53
	=====	=====	=====	=====	=====	=====
Current Liabilities	188,763	76,476	33,133	151	5,702	2,41
Long-term debt	229,510	--	10,651	--	--	--
Asset Retirement Obligation	--	--	--	5	--	--
	-----	-----	-----	-----	-----	-----
Total liabilities assumed	188,763	305,986	33,133	10,807	5,702	2,41
	-----	-----	-----	-----	-----	-----
Net assets acquired	208,000	134,160	--	5,381	125	12
	=====	=====	=====	=====	=====	=====

The following proforma combined condensed results of Aktiv Gruppen Holding A/S, AGH Norge A/S, 2S Ejendomsinvest A/S and Windpark Timpberg GmbH & Co Zehnte KG as if the Company had purchased these entities at the beginning of the repective periods:

	YEARS ENDED JUNE 30,		
	2005	2006	2006
	-----	-----	-----
.	DKK	DKK	USD
Net sales	304,698	505,461	86,147
Operating expenses	(235,782)	(438,587)	(74,750)
	-----	-----	-----
Net income	68,916	66,874	11,397
	=====	=====	=====

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## ACQUISITIONS DURING 2004/05

On February 14, 2005, Aktiv Gruppen purchased the remaining 50% of Ejendomsselskabet Hyltebjerg Alle ApS, from JNP Holding ApS and thereby became the 100% of Ejendomsselskabet Hyltebjerg Alle ApS. The purchase price was DKK 100. No goodwill was recorded in connection with the purchase. The shares were acquired in order to ensure that the project was properly finalized.

On December 21, 2004, the Company purchased 100% of Aktiv Wind GmbH, from European Wind Farms A/S. The purchase price was DKK 1,212. No goodwill was recorded in connection with the purchase. Aktiv Wind GmbH serves as the general (unlimited) partner in the German KG's (partnerships). On May 4, 2005, the Company acquired a 100% interest in EWF Drei Funf GmbH & Co. KG for Euro 2 or DKK 14 through which the Company has constructed two wind turbines.

During 2005, the company purchased four wind turbines through the

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purchase of four German partnerships. The following table summarizes the terms of the acquisition and the estimated fair values of the assets acquired and the liabilities assumed at the date of acquisition (in DKK):

	EW DREI FUNF GMBH & CO. KG -----	WIN:PRO INVENT GMBH & CO. NEUNTE WIND KG -----	UPEG 8 WIND-PARK GMBH & CO. KG -----	BIRGTER WINDENERGIE GMBH & CO. KG -----	P G K -----
ENTITY ACQUIRED					
Percentage Ownership Acquired	100%	100%	100%	100%	
Purchase Price Paid in DKK	14	3,552	21,832	16,893	
Date of Acquisition	May 04, 2005 -----	June 29, 2005 -----	June 29, 2005 -----	June 29, 2005 -----	
Current assets	--	1,090	1,301	2,710	
Windmills	--	17,448	22,051	17,062	
Goodwill	--	--	--	--	
	-----	-----	-----	-----	
Total assets acquired	--	18,538	23,352	19,772	
	=====	=====	=====	=====	
Current Liabilities	--	125	1,301	2,710	
Long-term debt	--	14,688	--	--	
Asset Retirement Obligation	--	173	219	169	
	-----	-----	-----	-----	
Total liabilities assumed	--	14,986	1,520	2,879	
	-----	-----	-----	-----	
Net assets acquired	--	3,552	21,832	16,893	
	=====	=====	=====	=====	

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The following proforma combined condensed results of Aktiv Gruppen Holdings A/S, win:pro Invent GmbH & Co. Neunte Wind, UPEG 8 Windpark GmbH & Co. KG, Birgter Windenergie GmbH & Co. KG, and Paderwind GmbH & Co. KG as if the Company had purchased these entities at the beginning of the respective periods:

	YEARS ENDED JUNE 30,		
	2004	2005	2005
	-----	-----	-----
	DKK	DKK	USD
Net sales	297,596	395,294	64,147
Operating expenses	(279,120)	(356,437)	(57,841)
	-----	-----	-----
Net income	18,476	38,857	6,306
	=====	=====	=====

### ACQUISITIONS DURING 2003/2004

On October 09, 2003, Aktiv Gruppen purchased the remaining 50% of

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Norrebrojerg Boligpark ApS, from Proconex ApS and thereby became the 100% owner of Norrebrojerg Boligpark ApS. The purchase price was DKK 357. No goodwill was recorded in connection with the purchase. The shares were acquired in order to develop a new project within the company and use tax net operating loss carry forwards.

### 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Company's cash equivalents and restricted cash, receivables, marketable securities, long-term investments, line of credit and long-term debt, payables and lease obligations approximates the carrying amount, which is the amount for which the instrument could be exchanged in a current transaction between willing parties. Information about each instrument follows:

#### CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The carrying amount of cash, cash equivalents and restricted cash approximates their fair value as of June 30, 2005 and 2006, because of the short term maturities of those instruments.

#### ACCOUNTS RECEIVABLE, RECEIVABLES FROM RELATED PARTIES, VAT RECEIVABLE AND OTHER RECEIVABLES

The carrying amounts of accounts receivable, receivables from related parties, VAT receivable and other receivables approximate their fair value as of June 30, 2005 and 2006 because of the expected short term collection of those instruments.

#### MORTGAGE DEED AND NOTES RECEIVABLE

The carrying amount of notes receivable approximates their fair value as of June 30, 2005 and 2006 because the interest rates approximate the rate of similar instruments as of June 30, 2005 and 2006.

#### MARKETABLE SECURITIES

The fair values of investment securities are estimated based on quoted market prices as of June 30, 2005 and 2006 and are stated at fair value.

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#### LINE OF CREDIT AND LONG-TERM DEBT

The fair values of the Company's line of credit and long-term debt as of June 30, 2005 and 2006 approximate recorded values as of June 30, 2005 and 2006, based on similar current rates offered to the Company for debt of the same remaining maturities.

#### ACCOUNTS PAYABLE, ACCOUNTS PAYABLE - RELATED PARTIES AND ACCRUED LIABILITIES

The carrying amount of accounts payable and accounts payable - related party approximates fair value as of June 30, 2005 and 2006, because of the short term maturity of those instruments.

### 12. NOTES PAYABLE, LINES OF CREDIT AND OTHER DEBT OBLIGATIONS

Notes payable, lines of credit and other debt obligations relate primarily to the funding of development projects and wind turbine acquisitions. These notes payable are collateralized by underlying development project or wind turbines. Interest rates vary from 4.10 percent, to 7.5 percent and are



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generally tied to the DKK or EUR LIBOR plus a specified percentage. One loan of DKK 45 accrues interest at a rate of 17.10 percent as of June 30, 2006. Construction loans are payable upon delivery of the project. Wind turbine and mortgage loans payment terms are generally bi-annual and monthly, respectively, over ten to twenty years. The remaining loans vary from on demand, to balloon payment to monthly instalments.

The construction loans are all classified as current because the contractual due date is the sooner of the date the underlying project is sold or the original payment date as stipulated in the note payable. In addition, the related construction in progress / cost in excess of billings is also classified as current.

The balances of notes payable at June 30, 2006 consisted of the following:

	INTEREST RATE AT JUNE 30, 2006	JUNE ----- 2005
Kronborg Byg ApS		
Construction loan	5.15-6.35%	10,638
Aktiv Gruppen Holding A/S	--	
Vehicle Loans	4.5%	1,213
Other Loans	4.93-6.25%	5,199
Ejendomsselskabet Parkhusene ApS		
Construction loan	7.50%	131,409
Ejendomsselskabet Faergegardsvej, Vordingborg ApS		
Construction loan	5.45%	4,000
Ejendomsselskabet Krohaven ApS		
Construction loan	6.50%	--
Errits0 Bygade 79 ApS		
Construction loan	17.10%	5
Ejendomsselskabet Guvernorparken		
Construction loan	6.10%	12,000
Ejendomsselskabet Kildevej, Helsingør ApS		
Construction loan	6.10%	13,930
Ejendomsselskabet Kommandorparken, Solrød ApS		
Construction loan	6.10%	17,305
Drejens Strandskovpark A/S		
Construction loan	6.08%	--

(Continued)

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### 12. NOTES PAYABLE, LINES OF CREDIT AND OTHER DEBT OBLIGATIONS - CONTINUED

	INTEREST RATE AT JUNE 30, 2006	JUNE ----- 2005
(Continued)		
Euro Trust PKI Services ApS		
Other loan	--	--

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Ejendomsselskabet Marienlyst Palae ApS		
Line of Credit (1)	6.5%	103,000
Other loans	6.5%	256
Ejendomsselskabet Soparken, Fredensborg ApS		
Construction loan	6.50%	--
Ejendomsselskabet Nyrad, Vordingborg ApS		
Construction loan	6.00%	8,546
Ejendomsselskabet Olbycentervej 65 ApS		
Mortgage loan	5.50%	7,055
Ejendomsselskabet Hyltebjerg Alle ApS		
Construction loans	6.5%	17,305
Ejendomsudviklingselskabet af 2001 A/S		
Construction loan	6.08%	17,268
Alpen Holidays Ferienhauser GmbH		
Mortgage loan	5.50%	943
Delta Byg ApS		
Line of Credit	5.75%	523
Sonderborg Havnefront ApS		
Line of Credit	6.00%	--
Blavand Byferie ApS		
Line of Credit		--
St. Rorbaek Byudvikling I ApS		
Vehicle Loans	6.23%	--
Line of Credit	6.23%	--
St. Rorbaek Byudvikling II ApS		
Line of Credit	6.23%	--
Gribskov Bolig ApS		--
AGH Norge A/S		
Line of Credit	7.00%	--
Den gamle skibssmedie ApS		
Construction loans	6.00%	--
Bygg & Eiendomsutviklin Sor AS		
Construction loans	6.20%	--
	(Continued)	

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## 12. NOTES PAYABLE, LINES OF CREDIT AND OTHER DEBT OBLIGATIONS - CONTINUED

	INTEREST RATE AT JUNE 30, 2006	JUNE ----- 2005
(Continued)		
2S Ejendomsinvest ApS		
Line of Credit	6.25-7.02%	--
Silkegade Invest ApS		
Line of Credit	6.25%	--
R0m0 Golf A/S		
Line of Credit	6.25%	--
Other Loans	--	--
RGW A/S		
Line of Credit	6.25-7.02%	--
Aktiv Wind ApS		
Equipment loan (Windturbine)	5,15%	21,138
win:pro Invent GmbH & Co. Neunte Wind KG		

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Equipment loan (Windturbine)	4.75-5.27%	14,688
EWf Eins Zwei GmbH & Co. KG		
Equipment loan (Windturbine)	4.35%	--
EWf Eins Drei GmbH & Co. KG		
Equipment loan (Windturbine)	4.35%	--
EWf Eins Vier GmbH & Co. KG		
Equipment loan (Windturbine)	4.35%	--
EWf Zwei Eins GmbH & Co. KG		
Equipment loan (Windturbine)	4.35%	--
UW Nielitz GmbH & Co. KG	4.10%	--
K/S Difko Bucfhbrunn I		
Revolving credit	6.08%	--
win:pro Invent GmbH & Co. Zehnte Wind KG		
Line of credit	4.35%	--
UPEG 8 Windpark GmbH & Co. KG		
Equipment loan (Windturbine)	4.00-4.25%	12,851
Birgter Windenergie GmbH & Co. KG		
Equipment loan (Windturbine)		--
Paderwind GmbH & Co. KG		
Equipment loan (Windturbine)		--
		-----
		428,124
Less long term		(25,366)
		-----
Short term		402,758
		-----

(1) The Company maintains revolving credit agreements in the aggregate amount of DKK 103,000 and DKK 95,131 at June 30, 2005 and 2006, respectively with all amounts used. The agreements expire June 30, 2007.

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Maturities of debt obligations payable at June 30, 2006 are as follows:

Year Ending June 30,	
-----	
2007	\$ 1,271,794
2008	3,166
2009	2,888
2010	2,915
2011	2,926
Thereafter	23,368
	-----
	\$ 1,307,057
	=====

## 13. OPERATING LEASES

The Company also has non-cancelable operating leases, primarily for office space, that expire over the next four years. These leases generally contain renewal options for one year and require the Company to pay all executory costs such as maintenance and insurance. Expenses under operating leases amounted to DKK 444 and DKK 1,141 in the years ended June 30, 2005 and 2006, respectively.

The Company also leases the underlying land upon which the wind turbines are constructed, expiring beginning in the year 2023 through 2031, the leases

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further allow for option to extend the lease for one or two, five year periods. Lease expense under land operating leases amounted to DKK 0 and DKK 631 for the years ended June 30, 2005 and 2006 as the wind turbines were purchased at the end of June, 2005.

Future minimum lease payments under non-cancelable operating leases with initial or remaining lease terms in excess of one year, as of June 30, 2006 are:

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	OPERATING LEASES
	-----
Year ending June 30:	
2007	3,442
2008	2,954
2009	2,271
2010	1,342
2011	1,335
Thereafter	28,789
	-----
Total minimum lease payments	40,133
	=====

### 14. RELATED PARTY TRANSACTIONS

#### NOTES AND ACCRUED INTEREST RECEIVABLES

During the year ended June 30, 2006 there have been no significant transactions with the supervisory and executive boards, executive officers, important shareholders or other related parties have been carried out, besides intra-group transactions which have been eliminated in the consolidated financial statement as well as ordinary management remuneration.

During 2004, the Company loaned to companies controlled by each of the five 20% shareholders of the Aktiv Gruppen DKK 7,000 each. The notes accrue interest a rate of 3% per annum, payable on demand and are secured by marketable securities held by the controlled companies. At June 30, 2005 notes and accrued interest receivable related parties consisted of the following:

	JUNE 30,	
	-----	
	2005	2006
	-----	-----
Dansk Anlaegsinvest ApS	7,245	--
JL Forsikringsformidling ApS	7,245	--
AO Holding ApS	7,245	--
Synerco ApS	7,245	--
Salt-Con ApS	7,245	--
Other employee receivables	66	--
	-----	-----
	36,291	--
	=====	=====

Subsequent to the year ended June 30, 2005, all of the amounts receivable have been collected.

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During 2006, the Company sold 55 holiday condominiums for DKK 103,131 to Marienlyst Hotel Invest A/S (MHI). MHI is partially owned by two shareholders who own approximately 5% of the outstanding shares of EuroTrust A/S at June 30, 2006, one of which is the president of the EuroTrust A/S' Norwegian operations. At June 30, 2006 the company had received DKK 4,000 of the purchase price and recorded a DKK 99,131 6% mortgage deed receivable for the balance. During September 2006, the Company collected an additional DKK 11,000 against the note receivable.

During January 2006, the Company purchased the remaining 75% interest of Windpark Timpberg GmbH & Co Zehnte Wind KG from an Officer/Shareholder of the Company for DKK 5,382. The Wind Turbine was recorded at the carryover basis of the officer/shareholder.

## NOTES PAYABLE

During 2003, companies controlled by each of the five 20% shareholders of the Aktiv Gruppen loaned DKK 300 each to the Company. The note accrued interest at a rate of 3% per annum. The notes were repaid with related accrued interest of DKK 66 (payments of DKK 65 during October 2003 and DKK 1,501 during July 2004).

During 2004, the company purchased four automobiles from shareholders and officers of the Company or entities controlled by shareholders and officers. Also during 2004, the company sold five recreational homes to companies controlled by shareholders and officers of the Company.

The Chairman of the board of directors of Aktiv Gruppen was also a partner of Interlex Lawyers until December 31, 2005. The Company paid DKK 754 and DKK 1,976 to Interlex Lawyers for legal services during June 30, 2004 and 2005, respectively. The total outstanding payables due to Interlex Lawyers as at June 30, 2004 and June 30, 2005 were DKK 28 and DKK 587, respectively.

## 15. INCOME TAXES

The Company and each of its wholly owned Danish subsidiaries file a consolidated tax return. The Company's foreign or non-wholly owned subsidiaries file separate tax returns in each of the countries of incorporation. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of June 30, 2005 and 2006 are as follows (in DKK):

	JUNE 30,	
	2005	2006
DEFERRED TAX ASSETS		
Net operating loss carry forwards	1,980	6,302
Provisions	180	2,082
Total deferred tax assets	2,160	8,384
Less: Valuation allowance	--	--
DEFERRED TAX ASSETS	2,160	8,384

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## DEFERRED TAX LIABILITIES

Tax value of fixed assets in excess of book value of fixed assets	(6,925)	(19,388)
Construction in Progress	(10,371)	(14,218)
Other	(29)	--
	-----	-----
DEFERRED TAX LIABILITY	(17,325)	(33,606)
	=====	=====
	=====	=====
NET DEFERRED TAX LIABILITY	(15,165)	(25,222)
	=====	=====

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The recognized net tax liabilities as of June 30, 2005 and 2006 are related to temporary timing differences between the book and fiscal values of assets.

The Company assessed the realization of the deferred tax assets based on available evidence, both positive and negative, to determine whether it is more likely than not that all or a portion of the deferred tax assets will be realized. The conclusion as to whether it is more likely than not that some portion of these assets will not be realized takes into consideration the future earnings potential determined through the use of internal forecasts, the carry forward period associated with the deferred tax assets and the nature of the income that can be used to realize the deferred tax assets. To the extent that the Company determines it is more than likely not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is recorded.

At June 30, 2005, the company had tax loss carry-forwards of DKK 22,505 available in Denmark, which according to current Danish law has no expiration. The accumulated tax loss carry forwards cannot be used by all group companies as not all of companies are jointly taxed.

For financial reporting purposes, income before income taxes is as follows (in DKK):

	2004	2005	2006
	-----	-----	-----
Pretax income :			
Denmark	25,103	54,720	55,641
Austria	259	(1,254)	(501)
Norway	--	--	2,276
Germany	--	--	1,037
Latvia	--	(1,220)	(446)
	-----	-----	-----
	25,362	52,246	58,007
	=====	=====	=====

Significant components of the provision for income taxes are:

Current: Denmark	2,433	3,657	147
Others	--	--	--
	-----	-----	-----
	2,433	3,657	147

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	-----	-----	-----
Deferred: Denmark	5,390	8,847	11,970
Others	--	2,642	--
	-----	-----	-----
	5,390	11,489	11,970
	-----	-----	-----
Total:	7,823	15,146	12,117
	=====	=====	=====

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The reconciliation of income tax computed at the Danish statutory tax rate to income tax expense is:

	2004	2005	2006
	----	----	
Danish income tax rate .....	30%	28%	28%
Effect of change in tax rate on			
net deferred tax liabilities .....	0%	(1)%	0%
Non - deductible permanent differences .....	0%	2%	1%
Change in valuation allowance .....	0%	0%	(8)%
Other .....	(2)%	0%	0%
Reported income tax expense .....	28%	29%	21%

## 16. COMMITMENTS

### LETTERS OF CREDIT

The Company has unused letters of credit / bank guarantees totaling DKK 124,525 and DKK 160,358 at June 30, 2005 and 2006, respectively. The letters of credit / guarantees are required in connection with warranties the Company offer on certain aspects of the construction and materials in developed projects in accordance with Danish law. The letters of credit/ guarantees normally cover a period of approximately five years. The estimated future warranty liability at June 30, 2005 and 2006 was DKK 0 and DKK 0, as the Company acquires letters of credit / guarantees from the underlying contractors and suppliers which offset the letters of credit issued by the Company.

### ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations for wind turbines held, and changes to the obligation for the years ended June 30, 2005 and 2006 consist of the following:

	JUNE 30,		
	-----	-----	-----
	2004	2005	2006
	----	----	-----
Balance at the beginning of the year:	--	--	979
Obligation on acquired assets	--	979	858
Obligations paid or sale of the asset			(556)
Accretion expense:			
Current year accretion expense	--	--	31
Revisions to estimate	--	--	(224)
Balance at the end of the year:	--	979	1,088
	----	----	-----

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## 17. STOCK OPTIONS

A summary of the status of options granted at June 30, 2006, and changes during the period then ended are as follows:

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			For the Year June 30, 20
	Shares	Weighted Average Exercise Price	Weighted A Remaini Contractua
Outstanding at beginning of period	1,151	\$ 4.19	7.02 y
Granted	1	6.00	4.42 y
Exercised	1,055	3.94	
Forfeited	-	-	
Expired	1	6.78	
	-----	-----	
Outstanding at end of period	96	\$ 4.11	5.72 y
Vested and expected to vest in the future	96	\$ 4.11	5.72 y
Exercisable at end of period	96	\$ 4.11	5.72 y
Weighted average fair value of options granted	1	\$ 5.29	

The Company had no non vested options at the beginning of the period. At June 30, 2006 the Company had no non vested options resulting in no unrecognized compensation expense.

The total intrinsic value of options exercised during the year ended June 30, 2006 and 2005 was DKK 997 and DKK 2,097, respectively. Intrinsic value is measured using the fair market value at the date of exercise (for shares exercised) or at June 30, 2006 and 2005 (for outstanding options), less the applicable exercise price.

During the years ended June 30, 2006 and 2005, the Company received cash of DKK 24,408 and DKK 0 upon the exercise of awards. The Company realized a tax benefit due to the exercise of options of DKK 0 and DKK 0 for the years ended June 30, 2006 and 2005.

Common shares issued upon exercise of options are issued from available authorized but un-issued common shares. As of June 30, 2006, the Company has no plans to repurchase common shares issued upon exercise of options.

The following table summarizes information about stock options outstanding as of June 30, 2006:

WEIGHTED AVERAGE REMAINING	WEIGHTED- AVERAGE
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RANGE OF EXERCISE PRICES	SHARES OUTSTANDING	CONTRACTUAL LIFE	EXERCISE PRICE	SHARES EXERCISED
\$2.85 - \$2.85	20	1.7 years	\$2.85	
\$3.76 - \$3.76	25	2.8 years	\$3.76	
\$4.75 - \$4.75	50	8.8 years	\$4.75	
\$6.00 - \$6.00	1	6.8 years	\$6.00	
Total	96	5.7 years	\$4.11	

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No compensation cost is recognized in income for any of the years presented above as the options can be exercised at a price equal to or greater than the price on the date of grant.

### 18. PENSIONS

During the year ending June 30, 2004, 2005 and 2006, the company has recognized expenses for defined contribution pension agreements paid to pension and insurance companies on behalf of employees totaling DKK 0 million, DKK 0 million and DKK 0.2 million, respectively

### 19. LITIGATION

During 2005, the Company recorded a provision of DKK 1,500 for claims arising from the cancellation of the contract with the constructor of Rodvig Hytte og Feriecenter. The Company cancelled the contract due to considerable delays and defects with the construction of the project. At October 31, 2005 the High Court ordered the company to pay approx. DKK 1,500, but the Company appealed immediately to the Supreme Court. The final settlement has to wait the judgment of the Supreme Court.

The Company is from time to time involved in routine legal and administrative proceedings and claims of various types. While any proceedings or claim contains an element of uncertainty, Management does not expect them to have a material affect on our results of operations or financial position.

### 20. SEGMENT REPORTING

The Company's Chief Operating Decision-maker, as defined in SFAS No. 131, is considered to be EuroTrust's CEO. The Chief Operating Decision-maker reviews separate consolidated financial information for the Real Estate Development Segment and the Wind Energy Segment. Each of the Company's business segments are managed separately because they offer and distribute distinct services to different customer segments. The Company therefore considers that it has two reportable segments under SFAS 131. Revenues are generated in the country in which the property is located. During the periods presented all sales were derived from real estate development in Denmark.

The Chief Operating Decision-maker evaluates performance and allocates resources based on profit or loss from operations before interest, gains and losses on the Company's investment portfolio, and income taxes. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. There were no inter - segment transactions during the periods presented.

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The segmented data are as follows:

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## 20. SEGMENT REPORTING - CONTINUED

	2004	YEARS ENDED JUNE 2005	
	DKK	DKK	
REAL ESTATE DEVELOPMENT:			
Net sales	295,975	247,333	
Operating expenses:			
Cost of sales (exclusive of depreciation)	259,144	173,637	
Selling and marketing	1,218	907	
General and administrative	5,710	9,442	
Depreciation (excluding DKK112, DKK245 and 245 included in cost of sales)	339	520	
Total operating expenses	266,411	184,506	
Operating income (loss)	29,564	62,827	
Capital expenditure	2,086	240	
Total assets	482,180	503,065	
WIND ENERGY			
Net sales	0	0	
Operating expenses:			
Cost of sales (exclusive of depreciation)	0	0	
Selling and marketing	0	0	
General and administrative	0	910	
Depreciation	0	0	
Total operating expenses	0	910	
Operating income (loss)	0	(910)	
Capital expenditure including deposits	0	0	
Total assets	0	108,573	
CONSOLIDATED			
Net sales	295,975	247,333	
Operating expenses:			
Cost of sales (exclusive of depreciation)	259,144	173,637	
Selling and marketing	1,218	907	
General and administrative	5,710	10,352	
Depreciation	339	520	
Total operating expenses	266,411	185,416	

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Operating income (loss)	29,564	61,917	
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Capital expenditure including deposits	2,086	240	
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Total assets	482,180	611,638	
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DKK amounts have been converted into US\$ at an exchange rate of \$1=DKK 5.8674.

### SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

#### Real Estate Development:

During April 2006, the Company issued 22,050,000 common shares to acquire all of the issued and outstanding shares of Aktiv Gruppen holding 1,000,000 in an acquisition accounted for as a recapitalization of EuroTrust A/S.

During June 2006, the Company issued 2,650,000 common shares to acquire the remaining 50% interest in AGH Norge A/S.

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During 2006, the Company sold DKK 103 million in property held for resale and recorded a mortgage deed receivable in the amount of DKK 99 million.

During June 2006, the Company acquired the consolidated entity of 2S Ejendomsinvest ApS for DKK 134 million and recorded a payable for land and subsidiaries.

The Company borrowed DKK 2,400 to purchase automobiles.

During June 2006, the Company acquired DKK 143,636 in land for resale and future development and DKK 39,434 in construction projects through the acquisition of St. Rorbaek I Byudvikling ApS, St. Rorbaek II Byudvikling ApS, St. Rorbaek III Byudvikling ApS, Gribskov Bolig ApS, Den Gamle Skibssmedie ApS and projects through the issuance of notes payable.

During 2005, the Company sold DKK 8,471 in property held for resale on mortgage deed receivables.

During 2004, the Company purchased DKK 91,981 of property held for resale through short and long term borrowing. The Company sold DKK 8,224 of the property on mortgage receivables.

#### Wind Energy:

During 2006, the Company acquired a 50% interest in Windpark Wriezener Hohe GmbH & Co KG, which owns 13 wind turbines for DKK 22,091.

During 2006, the Company acquired DKK 220,157 in wind turbines by purchasing the following German partnerships: EWF Eins Vier GmbH & Co KG, UW Thrana GmbH & Co KG, EWF, Zwei Eins GmbH & Co KG, UW Nielitz GmbH & Co KG, Komplementarselskabet Difko Buchbrunn I ApS, K/S Difko Buchbrunn I.

During 2006, the Company purchased the remaining 75% interest in Windpark Timpberg GmbH & Co Zehnte Wind KG for DKK 5,382 and recorded a capital

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distribution of DKK 1,758 to adjust the carrying value of the wind turbine purchased from the related party to the related party's carryover basis.

During 2006, the Company sold DKK 55 million in wind turbines through the sale of Windpark GmbH & Co., KG Birgter Windenergie GmbH & Co and KG Paderwind GmbH & Co. KG and recorded a loss of DKK 200.

During 2005, the Company acquired DKK 99,239 in wind turbines by purchasing the following German partnerships: EWF Drei Funf GmbH & Co. KG, Win:pro Invent GmbH & Co. Neunte Wind KG, Aktiv Wind GmbH, UPEG 8 Windpark GmbH & Co., KG Birgter Windenergie GmbH & Co and KG Paderwind GmbH & Co. KG.

### 21. SUBSEQUENT EVENTS

As of July 4, 2006 the company acquired a controlling interest in European Wind Farms A/S, for a purchase price of DKK 120 million (approximately \$20.5 million) and 915,500 ordinary shares of EuroTrust. The cash purchase price will be paid to European Wind Farms in exchange for newly issued shares and the 915,500 shares of EuroTrust will be issued to the existing shareholders of European Wind

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Farms in exchange for certain of the shares owned by them. Upon completion of the transactions EuroTrust will own 50.25% of the outstanding shares of European Wind Farms.

As of October 11, 2006 the company acquired a controlling interest in Enerteq ApS, Enerteq Vitalba ApS, and agreements to purchase 100% of JBH Gruppen A/S and Real Ejendomme A/S, for an aggregate purchase price of up to DKK 21 million (approximately \$3.6 million) and 1,070,000 ordinary shares of EuroTrust. The cash purchase price to be paid to the shareholders of JBH Gruppen and Real Ejendomme will be payable DKK 4 million at closing and up to an additional DKK 17 million based upon the gross margin earned by Euro Trust of two large scale real estate development projects expected to be completed by the end of 2007 and 2008 respectively. The 1,070,000 shares of EuroTrust will be issued to the respective shareholders of Enerteq ApS, Enerteq Vitalba ApS, JBH Gruppen A/S and Real Ejendomme A/S. The shareholders of the Enerteq companies have agreed that they may not dispose of the shares for at least 3 years and the shareholders of JBH Gruppen and Real Ejendomme have agreed that they may not dispose of the shares for at least 1 year up to 5 years.

Upon completion of the transactions EuroTrust will own 50.5% of the outstanding shares of Enerteq ApS and Enerteq Vitalba ApS and 100% of the outstanding shares of JBH Gruppen A/S and Real Ejendomme A/S.

The acquisition of Real Ejendomme A/S will close on January 1, 2007, and the deadline for the completion of the due diligence in regard to the proposed acquisition of JBH Gruppen A/S, is extended to January 15, 2007.

As of December 18, 2006 the company announced that Aktiv Gruppen Holding A/S (a wholly owned subsidiary of EuroTrust) has entered into an agreement with Folkeferie.dk (Dansk FolkeFerie) wherein Aktiv Gruppen will be responsible for the development of between 6 and 8 of Folkeferie.dk's holiday centers in Denmark over the next 2-3 years. Aktiv Gruppen will be responsible for the preparation of plans for the centers' renovation, developing a plan for optimization of future operations and for expansion and sale of additional units at the centers. Folkeferie.dk will retain its role as owner and operator of the centers. As compensation for its role in the development of the centers, Aktiv Gruppen will receive a commission on the future sale of the centers as well as a portion of

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the profits from the development of the centers.

As of December 20, 2006 the company announced that it has entered into agreements to purchase the rights to four wind farm development projects in Spain, Poland and Italy with an accumulated capacity of 216 MW, capable of supplying the renewable electricity requirements of some 170,000 homes.

Two of the projects, a 41 MW wind farm project in Spain and a 51 MW wind farm project in Poland, will begin construction in the 1st quarter of 2007 and are expected to begin commercial operation before the end of 2007. The Spanish project is located northeast of Cadiz in the Andalusia Region in an agricultural area. The Polish project is situated in Eastern Pomerania, some 5km south of the Baltic Sea and 13km west of Kolobrzeg, and is located in flat coastal terrain. The two projects in Sicily, Italy are in the final stages of development and are expected to begin commercial operation in 2008 or early 2009. Both projects are on agricultural land in Southern Sicily.

The developer of all four projects is a leading German project developer, WKN Windkraft Nord AG. Firm orders have already been placed for wind turbines for the Polish site. When the four wind farm projects are all in commercial operation they are expected to represent a total investment value of approximately 280 Million Euro (approximately 370 Million USD at the present currency exchange rate

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EUR/USD 1,32) and generate estimated average annual revenues of 44 Million Euros (approximately 58 Million USD).

As of December 20, 2006 the company announced that it has privately placed 3,600,000 newly issued ordinary shares for (U.S.) \$52.2 million (\$14.50 per share), with two UK institutional investors, Invesco Perpetual and BlueCrest Capital Management. As a result of the placement, Invesco Perpetual and Blue Crest hold a 15.2% and 1.6% shareholder stake in EuroTrust respectively.

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### INDEX TO EXHIBITS

#### EXHIBITS

- 1.1 Amended Articles of Association of the Registrant, as of December 6, 2001 (1)
- 1.2 Rules of Procedures of the Registrant, as amended (2)
- 2.1 Employee and Director Subscription Option Plan (4)
- 4.5 Form of Employment Agreement between the Registrant and Bo Kristensen, effective as of January 1, 2005 \*
- 4.6 Form of Employment Agreement between the Registrant and Soren Degn, effective as of January 1, 2005 (4)
- 4.7 Share Purchase Agreement for the purchase of 100,000 ordinary shares of AGH Nordan Invest A/S between the Registrant and Kalodde AS dated April 25, 2006\*

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- 4.8 Share Purchase Agreement for the purchase of 50,000 ordinary shares of AGH Nordan Invest A/S between the Registrant and Sorprosjekt Holding AS dated April 25, 2006\*
- 4.9 Share Purchase Agreement for the purchase of 100,000 ordinary shares of AGH Nordan Invest A/S between the Registrant and Soren Hager Holding 2 ApS dated April 25, 2006\*
- 4.10 Share Purchase Agreement for the purchase of 2S Ejendomsinvest ApS dated as of June 2, 2006\*
- 4.11 Share Purchase Agreement for the purchase of a 50.25% interest of European Wind Energy Farms A/S dated as of May 10, 2006\*
- 8.1 List of the Subsidiaries of the Registrant \*
- 11.1 Code of Ethics (3)
- 12.1 Chief Executive Officer Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) \*
- 12.2 Chief Financial Officer Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) \*
- 13.1 Chief Executive Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350\*
- 13.2 Chief Financial Officer Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350\*

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\* Included herewith.

- (1) Filed as an exhibit to the Company's Annual Report on Form 20-F, filed on June 27, 2002, and incorporated by reference herein,.
- (2) Filed as an exhibit to the Company's original filing of the Registration Statement on Form F-1 (File No, 333-7092), filed on June 20, 1997, and incorporated by reference herein.
- (3) Filed as an exhibit to the Company's Annual Report on Form 20-F, filed on September 23, 2003, and incorporated by reference herein.
- (4) Filed as an exhibit to the Company's Annual Report on Form 20-F, filed on June 3, 2005, and incorporated by reference herein.