



2007 INVESTOR REPORT

CELEBRATING THE PAST | BUILDING THE FUTURE



CELEBRATING 25 YEARS ■ 1982-2007

In 2007, Enterprise celebrated our 25th anniversary as a national leader in affordable housing finance and community development. With nearly \$9 billion raised and invested, we helped finance more than 240,000 affordable homes in communities across the country. Our industry knowledge, innovation, financial strength and experienced professionals position us to continue delivery of integrated products and services solutions that fuel our mission, meet our investment partners' goals and impact communities most in need.

Enterprise Community Investment provides equity and debt products for the affordable housing industry. In addition, through Enterprise Community Partners, we provide public policy advocacy, community planning models and technical expertise.

THE AFFORDABLE HOUSING OUTLOOK

Affordability problems remain the nation's fastest-growing and most pervasive housing challenge. Although middle-income households increasingly feel the pinch, it is the nation's low-wage service workers, part-time workers, the disabled, and retirees that bear the heaviest burdens. Moreover, 2.1 million households live in severely inadequate housing while about three-quarters of a million people are homeless on any given night.¹

Today's critical housing challenges present opportunities for Enterprise to work more strategically with our investors, developer partners and community leaders to provide innovative financial and development resources. Through our disciplined approach, prudent underwriting and efficient processes, we deliver affordable housing and community development solutions in this market, while advancing our strategic priorities to:

- create Green Communities®;
- preserve affordable housing; and
- develop supportive housing.

GREEN COMMUNITIES

Our Green Communities Initiative continues its leadership in transforming the way communities think about, design and build affordable housing. We have surpassed our initial goal to build 8,500 energy-efficient, sustainable homes. With more than 11,500 green, affordable homes in over 250 communities nationwide, we are proud that 27 percent of all low-income housing tax credit (LIHTC) projects approved by the Investment Committee in 2007 included green features.

- Enterprise closed or committed more than \$120.9 million in LIHTC equity for 863 units of sustainable housing in 11 cities.
- Enterprise's public policy efforts helped pass the HOPE VI Improvement and Reauthorization Act of 2007, the first bill authorizing holistic environmental principles in a major housing program.

AFFORDABLE HOUSING PRESERVATION

Of the 100 LIHTC properties sold through Year 15 dispositions, nearly every project transferred remained affordable, preserving 5,500 rental units. In addition, 212 families now own homes through a lease-purchase program sponsored by one of Enterprise's premier partners. Enterprise also continues to preserve existing affordable housing through HUD Section 202 refinancings.

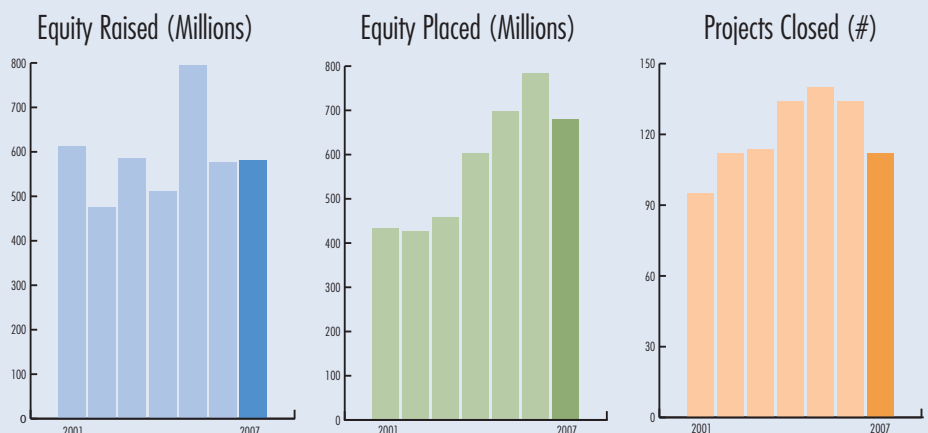
SUPPORTIVE HOUSING

Permanent housing with on-site services is a key strategy to end chronic homelessness. By providing a proven cost-effective alternative to expensive emergency public services, supportive housing not only improves the lives of its residents but also generates significant public savings.

- Enterprise invested \$176 million in supportive housing for 2,129 units. Some of the units were financed through our Supportive Housing Investment Partnership (SHIP) with the Corporation for Supportive Housing (CSH). The partnership also published a state-by-state trend analysis report of housing

2007 LIHTC PORTFOLIO

- Raised \$582 million in capital in 10 new and existing single- and multi-investor funds
- Closed \$681 million in equity, representing 112 projects nationwide
- Increased LIHTC investment portfolio with an additional 6,911 units



credit policies that promote supportive housing and serves as a tool for developers.

- To date, Enterprise has closed more than \$1.67 billion in equity, loans, and grants totaling nearly 29,000 units that combine affordable housing with supportive and social services, including counseling, education, physical and mental health services.

KEY BUSINESS HIGHLIGHTS

Tax Credit Syndication

Enterprise works with the strongest partners in the LIHTC industry, focusing on real estate fundamentals, strong underwriting and economic return. Our tax credit syndication group is accessible in 20 regional offices throughout the United States to meet customer needs.

Asset Management

Enterprise's Asset Management group oversees the company's portfolio of LIHTC investments, from project construction, lease-up and completion, through the compliance period. The company's diverse portfolio is comprised of over 88,000 housing units in more than 1,500 projects nationwide.

Structured Finance

In the fifth round of the federal New Markets Tax Credit (NMTC) program, Enterprise received a \$100 million allocation, bringing our total allocations to \$515 million.

- Enterprise closed on eight NMTC transactions totaling \$94.3 million, revitalizing communities through mixed-use projects, including commercial/retail centers, day care facilities and schools.
- In the equity raising stage for the Maryland Regional Workforce Housing Fund, a new private equity fund will invest with developers and builders in the creation of for-sale and rental workforce housing in urban, suburban and rural communities in Maryland, Washington, D.C. and northern Virginia.

Multifamily Mortgage Finance

Enterprise's multifamily lending portfolio has resulted in more than \$436 million in financing to create approximately 15,000 affordable apartments and homes nationwide. We are a special Fannie Mae Delegated Underwriting and Servicing (DUS) lender and in 2007 expanded our product portfolio to include:

- Federal Housing Administration (FHA) approved multifamily and healthcare lending as a HUD-approved Multifamily Accelerated Processing (MAP) lender
- U.S. Department of Agriculture (USDA) Section 538 Rural Development lending for acquisition, new construction and rehabilitation of multifamily rental properties in rural areas
- Enterprise Targeted Extended Amortization Mortgage (TEAM), providing borrowers with a forward rate lock for up to two years that will convert to a taxable permanent loan with an amortization of 40 years and a term of 20 to 25 years

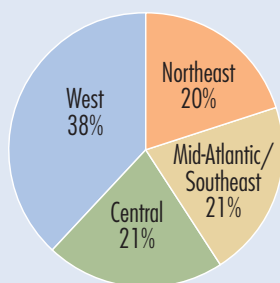
Enterprise Homes, Inc.

As a master developer, Enterprise Homes provides housing development for mixed-income communities. In 2007, Enterprise Homes announced that 100 percent of its developments will be built to Green Communities standards. Enterprise Homes has developed more than 43 projects totaling 4,209 units and \$470 million in total development costs.

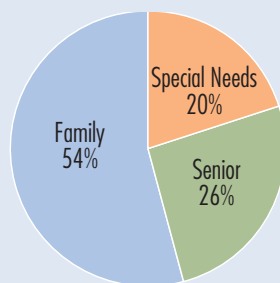
Enterprise Community Loan Fund

Enterprise's Community Loan Fund, a certified Community Development Financial Institution (CDFI), offers predevelopment, acquisition, working capital and other innovative loan products. These short-term loans provide the up-front funds that are often the hardest to acquire. In 2007, the Loan Fund closed \$163 million in loans resulting in more than 8,600 units of affordable housing.

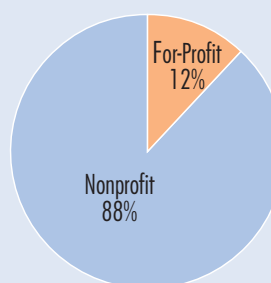
Acquisitions by Region



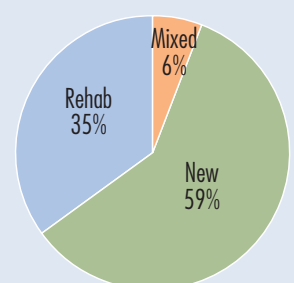
Acquisitions by Property Type



Acquisitions by Sponsor Type



Acquisitions by Construction Type



All pie charts reflect data based on number of projects closed, not equity placed.

Contacts:

Douglas M. Able III

Senior Vice President, Capital Markets
410.772.6005
dable@enterprisecommunity.com

Kari R. Fitzpatrick

Vice President, Investment Management—Capital Markets
503.553.5720
kfitzpatrick@enterprisecommunity.com

Bill Ostrye

Vice President, Fund Management—Capital Markets
410.772.2528
bostrye@enterprisecommunity.com

Megan Ryan

Director, Investment Management—Capital Markets
410.772.2506
mryan@enterprisecommunity.com

Source

1. Joint Center for Housing Studies of Harvard University,
“The State of the Nation’s Housing, 2007,” Cambridge, Mass.

Properties pictured on cover (clockwise from the top):

The Meadows at Reisterstown II

Reisterstown, Maryland

A 76-unit newly constructed apartment building for seniors in a northwestern suburb of Baltimore. Financing included a multifamily mortgage loan and a LIHTC equity investment.

33 East Main

Madison, Wisconsin

New construction of a 133,000 square foot, nine-story office building with retail and office tenants located across from the State Capitol. Financing included both a senior and subordinate loan and New Markets Tax Credits.

Broadway Crossing

Seattle, Washington

A mixed-use, mixed-income LIHTC development that is home to 44 affordable apartments in Seattle’s historic Capitol Hill neighborhood. The residences sit atop a brand-new Walgreens pharmacy and incorporate 50 green features.

Randolph Place

Richmond, Virginia

Moderate rehabilitation of 50 units in an occupied seniors housing complex located in an historic school building. Preserving housing for seniors, this green community was financed with LIHTC and historic tax credit equity.

Gateways SRO Housing

Los Angeles, California

A newly constructed LIHTC development featuring 30 efficiency apartments that provide permanent supportive housing and services for formerly homeless individuals with mental illness.



American City Building
10227 Wincopin Circle
Columbia, Maryland 21044
www.enterprisecommunity.com
www.enterpriseinvestor.com