

6 March 2009

Announcement to OMX Nordic Exchange Copenhagen

- **Value adjustment reduces results for 2008**
- **Implementation of new strategy proceeds satisfactorily**

HIGHLIGHTS:

- **An examination and updated value adjustment of the company assets means that the Board of Directors is downgrading their earnings expectations for 2008 to a negative DKK 260 million.**
- **The equity subsequently amounts to DKK 1,043 million while the company's ratio of self-financing (equity and deferred tax) can presently be calculated as 25 per cent (fixed target: 30 per cent).**
- **The Board of Directors recommends to the general meeting that no dividend be paid for 2008.**
- **At present the Board of Directors expects to break even in 2009 - before value adjustments and profits on the sale of properties.**
- **The change of strategy adopted by the Board of Directors at the end of 2008 has now been translated into a concrete action plan, which is now being implemented and is supported by the financial partners of the company.**

Downgrading of earnings expectations for 2008

Nordicom A/S has examined all the company's assets with a view to making a valuation based on fair market values. The examination was supplemented with external valuations of the company assets at 31 December 2008 in order to provide as well-based and fair a presentation as possible.

The updated valuations of assets and a review of the pro forma annual report for 2008 cause Nordicom A/S' management to substantially downgrade its earnings expectations for 2008.

The earnings expectations previously published are consequently downgraded from a profit before tax of around DKK 200 million to a loss of DKK 260 million for 2008. The equity subsequently amounts to DKK 1,043 million, corresponding to a net asset value of DKK 349 per share. The final, audited annual report for 2008 is expected to be ready and published on 27 March 2009.

Specifically regarding investment properties: The value adjustment of finished investment properties at fair market value is a negative DKK 38 million against a positive DKK 71 million in 2007. The valuation is made based on two opposite acting items. Improvements in property operation achieved through an improved revenue base, i.a. increased rental income, have led to revaluations of DKK 156 million. On the other hand, the general development in returns on the property market led to write-downs of DKK 194 million. This amount did not impact the company cash flows.

Specifically regarding development projects: The value adjustment of in-progress development projects and developed properties which have been transferred to renting is also negative. They amount to a negative DKK 149 million against a positive DKK 81 million in 2007. The downgrading primarily concerns the company's lots which were written down by a total of DKK 113 million. This amount did not impact the company cash flows.

Chairman of the Board of Directors, Mr Torben Schøn, makes the following statement:

- The substantial write-downs of the fair market values of our assets must be regarded in the light of the fact that we have taken the considerable uncertainty on the present market into account, a market that can only be described as slack. At present there are practically no comparable deals to support the market assessments.

Dividend

The company has a fixed target for its ratio of self-financing (equity and deferred tax) of minimum 30 per cent for the group as a whole. As a consequence of the negative results for 2008, the ratio of self-financing is now approx. 25 per cent and is consequently below target. Based on the above, the Board of Directors will recommend to the general meeting that no dividend be paid for the financial year 2008.

Expectations for 2009

The change of strategy adopted by the Board of Directors at the end of 2008 - focussing on properties with a positive cash flow and a generally strengthened capital structure to make the company stronger - has now been translated into a concrete action plan. The action plan consists of a mix of refinancing activities, a divestment programme and various initiatives aimed at optimising the company's capital structure - including plans for raising additional capital. Through a coordinated effort the action plan was presented to the company's lenders and sources of funds. It was well received and is consequently widely supported by the company's financial partners.

Therefore, Nordicom A/S is carrying on an ongoing reduction of the company's project portfolio which, fully developed, had an estimated value corresponding to DKK 10.3 billion at 31 December 2008. This reduction will be carried out by completing projects that have already been commenced, selling projects that have not yet been commenced and possibly by entering into partnerships. At the same time, a targeted effort is made to optimise the operation of the existing renting portfolio and to optimise the company's cash resources and capital structure, including improve relations between short-term and long-term debt and use other financial instruments to reduce the average financing costs.

Nordicom A/S has been adapting its organisation to the changed market situation during the past months and the number of employees has been reduced by 20 per cent in this connection.

All in all, the Board of Directors presently expects to break even in 2009 before unrealised value adjustments and profits on the sale of properties.

Chairman of the Board of Directors, Mr Torben Schøn, makes the following statement:

- The Board of Directors believes that as a consequence of the increased focus on properties with a positive cash flow, Nordicom A/S is now at all levels experiencing a positive development which gives grounds for optimism.

Yours sincerely

Nordicom A/S
The Board of Directors

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