

Nordicom A/S

CVR no. 12 93 25 02

Interim report for the group

Q3 2010

(For the period from January 1st to September 30th 2010)

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Summary for the period January 1st – September 30th 2010

- In Q3, for the first time since the start of the financial crisis, Nordicom achieved a positive profit before valuation adjustments and tax (EBVAT). This is partly due to a change in strategy whereby the focus was moved from project development to optimization of the company's completed investment properties, and partly due to a bank agreement which reduced the interest rate on the company's Danish bank debt.
- Rental income for Q1-Q3 2010 amounts to DKK 189.8 m, compared with DKK 200.5 m for the same period last year. The decrease of DKK 10.7 m is partly due to sales of properties which contributed DKK 10.4 m on an annual basis, and partly due to entering into new rental agreements at lower rent levels, and/or with incremental rent decreases, due to the occupier moving out.
- Sales of project holdings amount to DKK 151.2 m (Q1-Q3 2009: DKK 4.6 m) and relate primarily to Vordingborgvej 76 (Føtex) plus 24 apartments at Sluseholmen (Lindholm).
- In Q1-Q3 Nordicom achieved a gross profit of DKK 139.7 m (Q1-Q3 2009: DKK 147.8 m), which corresponds to a decrease of DKK 8.1 m. The gross result from rental of completed investment properties (Nordicom Ejendom) amounts to DKK 150.0 m, while the gross result from development activities (Nordicom Udvikling) amounts to DKK -11.2 m. Also, DKK 0.9 m has been realized from sub-letting the company's domicile. Included in the gross profit for Nordicom Udvikling is a write-down on project holdings of DKK 13.0 for H1 2010, which has not had any impact on the company's cash flow. Net profit before interest expenses, valuation adjustments and tax (EBIVAT) amounts to DKK 92.8 m, and DKK 108.0 m adjusted for write-downs and depreciations (EBIVAT adjusted).
- Net profit before valuation adjustments and tax (EBIVAT) for Q1-Q3 2010 amounts to DKK -2.8 m (Q1-Q3 2009: DKK -68.3 m), and DKK 12.3 m adjusted for write-downs and depreciations (EBVAT adjusted) (Q1-Q3 2009: DKK -39.0 m). Hence, the company's operating profit is close to breaking even when adjusting for interest expenses, and the positive developments in Q2 2010 (EBVAT adjusted DKK 6.9 m) have continued in Q3 2010 (EBVAT adjusted: DKK 8.9 m), which means a higher debt servicing capacity.
- Fair value adjustments net amount to DKK -70.4 m net (Q1-Q3 2009: -283.4 m), and are made up of DKK -28.1 m on the company's completed investment properties, -28.1 m on investment properties under development, DKK -11.7 m on debt to credit institutions and DKK -2.5 m on holdings of mortgage deeds. Fair value adjustments on completed investment properties of DKK -28.1 m in Q1-Q3 2010 are partly due to higher required yield levels (DKK -58.6 m) and partly due to operational improvements to the properties (DKK 30.5 m).
- Operating cash flow for Q1-Q3 2010 amounts to DKK 75.6 m (Q1-Q3 2009: DKK -55.6 m), which corresponds to an improvement of DKK 131.2 m compared to the same period last year. Cash flow from operating activities in 2010 was affected positively by sales of project holdings and cumulative interest, and negatively by one-off items (cooperation tax due etc.). As at September 30th 2010 the company's liquid holdings amount to DKK 109.4 m.
- In Q3 management of the company's property portfolio was as expected. Nordicom therefore continues to expect a net profit of DKK -5 to -20 m before valuation adjustments and tax (EBVAT) for the accounting year of 2010.
- On September 30th 2010 Nordicom carried out a capital increase with gross proceeds of DKK 89 m. The shares were offered with pre-emptive rights to the company's existing shareholders and the capital increase was carried out via a subscription of 8,900,000 shares of DKK 10 nominal at DKK 10 per share. The capital increase was one of the conditions of the agreement with the banks that was entered into in March 2010, and it is aimed at ensuring that the group has the necessary capacity to undertake investments within its existing property portfolio. In accordance with the bank agreement the credit institutions have, over a period of 3 years beginning January 1st 2010, frozen and lowered the interest rate on bank debts of DKK 1,800 m and contribution rates of mortgage debt of approx. DKK 1,600 m. Also, the maturity of the bank debt in question has been extended to December 31st 2012. For the bank debt not included in the bank agreement, new borrowing agreements have been entered into, and part of it have been converted into mortgage debt.
- As payment for the bank's participation in the agreement to lower current interest rates on the company's bank debt for three years, on May 26th 2010 convertible bonds of a total nominal of DKK 69,050,600 were issued to the banks involved. The bonds are non-puttable for the banks until December 31st 2029 and shall not be paid off nor shall interest be paid. In return the banks have the right to convert the bonds into shares in the period from January 1st 2013 to September 30th 2014 at a price of 100.

Company information

Company

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Board of directors

Steen Hundevad Knudsen, Chairman

Michael Vad Petersen, Deputy Chairman

Per Gran Pedersen

Ole Risager

Heinrich Zink

Ole Vagner

Executive management

Niels Troen

Audit

No review or audit of the interim report for Q3 2010 has been undertaken by the company's auditor.

Contact

Please direct any enquiries or requests for more detailed comments to Niels Troen,

Managing Director, tel.: +45 33 33 93 03, or e-mail: nt@nordicom.dk.

Management's endorsement

We have, on the present date, addressed and approved the interim report for the period January 1st – September 30th 2010 for Nordicom A/S.

The interim report, which has not been audited or reviewed by the company's auditors, is presented in conformity with IAS 34 "Interim Financial Reporting", which has been approved by the EU, and Danish disclosure requirements regarding interim reports of listed companies.

We are of the opinion that the interim report gives a true and fair view of the group's assets, liabilities and financial position as at September 30th 2010, as well as of the net profit from the group's activities and cash flows for the period January 1st – September 30th 2010.

Furthermore, we regard the management's statement as giving a true and fair picture of developments in the Group's activities and financial conditions, net profit for the period, and of the group's financial position as a whole, and a description of the most significant risks and factors of uncertainty that the group faces.

Copenhagen, November 18th 2010

Executive management:



Niels Troen

Board of Directors:



Steen Hundevad Knudsen
Chairman



Michael Vad Petersen
Deputy Chairman



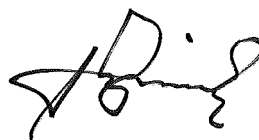
Per Gran Pedersen



Ole Risager



Ole Vagner



Heinrich Zink

Group main and key figures

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009	2009
Revenue*	343.857	208.863	106.843	68.266	300.557
Operating expenses*	-204.170	-61.110	-54.670	-13.710	-99.240
Gross profit	139.687	147.753	52.173	54.556	201.317
Personnel and other external expenses	-44.713	-56.093	-11.504	-17.157	-76.314
Depreciation	-2.161	-3.023	-691	-676	-4.049
Profit before value adjustments	92.813	88.637	39.978	36.723	120.954
Value adjustments, net	-54.169	-290.165	1.198	-59.372	-599.299
Operating profit	38.644	-201.528	41.176	-22.649	-478.345
Financial items	-95.660	-156.974	-31.770	-51.121	-196.490
Profit before tax	-57.016	-358.502	9.406	-73.770	-674.835
Income tax	12.480	91.448	-2.352	18.398	122.058
Net profit	-44.537	-267.054	7.055	-55.372	-552.777
DKK thousands	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.12.2009
Non-current assets	4.564.423	4.857.526	4.564.423	4.857.526	4.550.151
Current assets	299.321	498.904	299.321	498.904	429.533
Total assets	4.863.744	5.356.430	4.863.744	5.356.430	4.979.684
Equity	562.878	781.957	562.878	781.957	496.908
Non-current liabilities	4.126.459	2.457.741	4.126.459	2.457.741	2.353.932
Current liabilities	174.408	2.116.732	174.408	2.116.732	2.128.844
Total equity and liabilities	4.863.744	5.356.430	4.863.744	5.356.430	4.979.684
DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009	2009
Cash flows from operating activities	75.605	-55.641	54.932	50.023	-79.304
Cash flows from investing activities	59.598	17.953	-23.481	79.608	56.821
Cash flows from financing activities	-39.370	39.833	52.315	-127.824	12.199
Total cash flows	95.833	2.145	83.766	1.807	-10.284

*Specified in the income statement on page 14

Key figures	YTD 2010	YTD 2009	Q3 2010	Q3 2009	2009
Earnings before value adjustments and tax (EBVAT)	-2.847	-68.337	8.208	-14.398	-75.536
EBVAT (adjusted)**	12.316	-52.730	8.899	-13.722	-58.903
Return on finished investment properties (%)	5,5	5,4	5,9	5,7	5,4
Avarage interest rate (%)	3,3	6,1	3,3	5,5	5,0
Margibal return on finished investment properties (%)	2,2	-0,7	2,5	0,2	0,4
Share capital (DKK thousands)	120.279	312.786	120.279	312.786	312.786
Return on owner's equity before value adjustments and tax (%)	-0,5	-7,5	1,6	-1,8	-9,8
Return on owner's equity before tax (%)	-10,8	-39,3	1,8	-9,1	-87,6
Return on owner's equity after tax (%)	-8,4	-29,3	1,4	-6,9	-71,8
Share price, end-of-period (DKK)	17,5	89,0	17,5	89,0	60,0
Intrinsic value per share, end-of-period (DKK)	47	264	47	264	168
Earnings per share before tax (DKK)	-18,9	-121,1	3,0	-24,9	-228,0
Earnings per share after tax (DKK)	-14,8	-90,0	2,3	-18,6	-187,0
Price/intrinsic value, end-of-period	0,4	0,3	0,4	0,3	0,4
Equity ratio (%)	11,6	14,6	11,6	14,6	10,0
Earnings before interest, value adjustments and tax (EBIVAT)	92.813	88.637	39.978	36.723	120.954
EBIVAT (adjusted)**	107.976	104.244	40.669	37.399	137.587
Net interest bearing debt / EBIVAT (Adjusted)	26,7	28,4	23,4	26,9	28,6
EBIVAT (adjusted) / rental income	56,9%	52,0%	63,3%	56,3%	53,1%
EBIVAT (adjusted) / capacity costs	2,4	1,9	3,5	2,2	1,8
EBIVAT (adjusted) / interests	1,1	0,7	1,3	0,7	0,7

* Equity at end of period / average number of circulating shares

** Adjusted for depreciations and write-downs on project holdings

Management's statement

Development of the group's activities

On September 30th 2010 Nordicom carried out a capital increase with gross proceeds of DKK 89 m. The shares were offered with pre-emptive rights to the company's existing shareholders and the capital increase was undertaken via a subscription of 8,900,000 shares of DKK 10 nominal at DKK 10 per share. The capital increase aimed to ensure that the group has the necessary capacity to undertake investments within its existing property portfolio.

In Q3, for the first time since the start of the financial crisis in 2008, Nordicom achieved a positive profit before valuation adjustments and tax (EBVAT). This is partly due to a change in strategy whereby the focus was moved from project development to optimization of the company's completed investment properties, and partly due to a bank agreement which reduced the interest rate on the company's Danish bank debt. The company's operations are now breaking even after interest expenses, and the proceeds from the capital increase can therefore be put to use in improving the company's existing properties.

Rental income for Q1-Q3 2010 amounts to DKK 189.8 m, compared with DKK 200.5 m for the same period last year. The decrease of DKK 10.7 m is partly due to sales of properties which contributed DKK 10.4 m on an annual basis, and partly due to entering into new rental agreements at lower rent levels, and/or with incremental rent decreases, due to the occupier moving out.

The vacancy rate for the company's completed investment properties was 13.6% in Q1, 13.3% in Q2 2010 and 14.7% in Q3 (calculated by rental value). The increase in Q3 2010 is solely due to a large property at Kejlstrupvej 84 in Silkeborg which has been partly vacated by the occupier as at July 1st 2010. The property was originally purchased with the aim of rebuilding it into a retail centre after the end of the lease period. However, due to the company's change in strategy, the development project is expected to be either sold or carried out at a later time in cooperation with an external partner.

Sales of project holdings amount to DKK 151.2 m (Q1-Q3 2009: DKK 4.6 m) and relate primarily to Vordingborgvej 76 (Føtex) plus to 24 apartments at Sluseholmen (Lindholm).

In Q1-Q3 2010 Nordicom achieved a gross profit of DKK 139.7 m (Q1-Q3 2009: DKK 147.8 m), which corresponds to a decrease of DKK 8.1 m. The gross result from rental of completed investment properties (Nordicom Ejendom) amounts to DKK 150.0 m, while the gross result from development activities (Nordicom Udvikling) amounts to DKK -11.2 m. Also, DKK 0.9 m has been realized from sub-letting the company's domicile.

Losses on development activities in Q1-Q3 2010 are primarily due to a write-down on plots of land at Halfdansk Vænge in Næstved (previously Gedebjergparken) of DKK 13.0 m. Sales of land to build detached houses are still at a very low level and, at the same time, supply of new land in the area is high. Due to a general decrease in price levels in the area before land is subject to VAT from January 1st 2011, we have deemed it necessary to adjust our sales prices. After the price reduction we expect to sell the remaining plots of land before the end of 2010. In terms of accounts, the write-down will affect gross profit but does not impact on the company's cash flow.

The group's capacity costs amount to DKK 46.8 m (H1 2010: 59.1 m), which is a decrease of DKK 12.3 m. This decrease is due to the restructuring carried out to the organisation in 2009.

Value creation by project development for own portfolio amounts to DKK 12.9 m and relates to the completion of Rebæk Søpark shopping centre in Hvidovre. Following a refurbishment of DKK 9 m, plus a relocation of previous tenants, space for a Lidl shop of approx. 1,000 m² has been made available, which means that the centre is now almost fully let.

At the end of each quarter the fair value of each of the individual investment properties is evaluated. Valuation adjustments can arise due to changes in market conditions, or specific conditions relating to the individual properties, including changes in rent in accordance with the agreed rental contracts, rent increases following improvements to the individual properties, or entering into new contracts with new occupiers.

On this basis the company has calculated unrealized fair value valuation adjustments as at September 30th 2010 of DKK -70.4 m net (Q1-Q3 2009: -283.4 m). This consists of DKK -28.1 m on the company's completed investment properties, -28.1 m on investment properties under development, DKK -11.7 m on debt to credit institutions and DKK -2.5 m on holdings of mortgage deeds.

Valuation adjustments due to changes to required yield levels have come to DKK -58.6 m in H1 2010, while changes to rent, vacancy and operational costs have meant valuation adjustments of DKK 30.5 m on the group's completed investment properties.

It is the executive management's assessment that transaction activity in the Danish real estate market is increasing, and that the difference between buyers' and sellers' price expectations has narrowed as well compared to 2009. However, market conditions are still seen as challenging, and Nordicom will therefore use a part of the proceeds of the capital increase in Q3 2010 to increase the properties' value through improvements to buildings, rental optimizations and making the operational aspects more efficient, which creates a basis for future positive valuation adjustments to the value of investment properties.

Financial items net amount to DKK -95.7 m (Q1-Q3 2009: DKK -157.0 m), which is a reduction of DKK 61.3 m compared to the same period last year. This reduction is partly due to lower interest rates on the company's mortgage loans, and partly due to the agreement with the company's creditors.

In March 2010 an agreement was reached between Nordicom and the company's most significant creditors regarding improving the company's financing conditions. According to the agreement, the banks will, over a period of 3 years beginning January 1st 2010, freeze and lower interest rates on a significant part of the bank debt of approx. DKK 1,800 m, and lower margins on approx. DKK 1,600 of mortgage debt. Furthermore, the maturity of the bank debt in question has been extended to December 31st 2012. New deals have been entered into regarding the bank debt not covered by this agreement, and some of this will be converted into mortgage debt.

Due to the agreement with the banks, including fixing the interest rate for the bank debt included in the deal, a positive valuation adjustment to the company's bank debt of DKK 75 m has been recognized at the time of entering into the agreement. This amount is made up of the difference between the book value of the previous bank loans on one side and the fair value of the new loans on the other side. As compensation, banks have received convertible bonds with a fair value of DKK 65 m. A profit of DKK 10 m net has therefore been recognized in H1 2010, deducted from the value of the bonds issued. The positive valuation adjustment of the bank debt of DKK 75 m shall be deducted accounting-wise during the lifetime of the agreement, until December 31st 2012, which corresponds to approx. DKK -25 m annually. This adjustment is also recognized under "fair value adjustment, net" and amounts to DKK -20 m year to date.

Financial position as at September 30th 2010

The group's long-term assets as at September 30th 2010 comprise DKK 4,564.4 m (31.12.2009: DKK 4,550.2 m), which corresponds to the same level as at end of 2009. Year to date 2010, DKK 42.5 m has been invested in improvements to and the development of existing properties, while properties worth DKK 101.9 m were sold.

Short-term assets comprise DKK 299.3 m (31.12.2009: DKK 429.5 m), which is a decrease of DKK 130.2 m compared to end of year 2009. This fall is due to sales of project holdings, including apartments at Sluseholmen (Lindholm) and Vordingborgvej 76 (Føtex). Furthermore, properties have been delivered which, end of year 2009, were classified as assets deemed for sale.

Owner's equity amounts to DKK 562.9 m (31.12.2009: DKK 496.9 m), which is an increase of DKK 66 m. This increase is primarily due to the capital increase as at September 30th 2010 with net proceeds of DKK 74.9 m. Furthermore, owner's equity has been negatively affected by the

period's deficit and has been positively impacted by DKK 21.0 m from the issuance of convertible bonds and by DKK 10.5 m from price adjustments by the company's Swedish subsidiaries.

As payment for the banks' participation in the agreement to lower current interest rates on the company's bank debt over three years, on May 26th 2010 convertible bonds of a total nominal of DKK 69,050,600 were issued to the banks involved. The bonds are non-puttable for the banks until December 31st 2029 and shall not be paid off nor shall interest be paid. In return the banks have the right to convert the bonds into shares in the period from January 1st 2013 to September 30th 2014 at a price of 100.

The convertible bonds were issued as compensation for the change in conditions of the bank loans and have been recognized at a fair value of DKK 65.5 m at the time of issuance. In terms of accounts, the fair value is divided into a debt component and an equity component (the option part). The equity component amounts to DKK 21.0 m and is recognized directly under owner's equity. The debt component amounts to DKK 44.5 m at the time of issuance and has been recognized as a long-term liability. In the future, no measuring of the equity component will be undertaken, while the debt component shall be carried at amortized cost price.

Debt owed to credit institutions amounts to DKK 3,883.7 m (31.12.2009: DKK 3,929,9 m). As at September 30th 2010, long-term debt amounts to DKK 3,829.4 m, which corresponds to 98.6% of the total debt (31.12.2009: DKK 53.2%). The long-term debt has increased significantly in 2010 due to the bank agreement described above.

Cash flows for Q1-Q3 2010

Operating cash flow for Q1-Q3 2010 amounts to DKK 75.6 m (Q1-Q3 2009: DKK -55.6 m), which is an improvement of DKK 131.2 m compared to the same period last year.

Of the period's operating cash flow, DKK 10.7 m relating to company tax paid for the income year of 2007 has been deducted. Furthermore, DKK 48.4 m of the financial costs recognized in the income statement for 2010 in accordance with the bank agreement was not paid in 2010, but added to the existing debt (cumulative interest)

Cash flow from investment activity amounts to DKK 59.6 m (Q1-Q3 2009: DKK 18.0 m). The period's investments relate to improvements to the company's existing properties and ongoing development activities of DKK -42.5. Furthermore, Nordicom has sold properties with a positive cash flow effect of DKK 101.9 m.

Cash flows from financing activities amount to DKK -39.4 m (Q1-Q3 2009: DKK 39.8 m). This amount relates primarily to the capital increase with net proceeds of DKK 74.9 m. Furthermore, debt worth DKK -161.3 has been redeemed in conjunction with sales of properties. The company's cash holdings amount to DKK 109.4 m as at September 30th 2010.

Nordicom Ejendom

DKK mill. Year to date	Denmark		Sweden		Germany		Ejendom Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	155,1	159,2	18,4	21,2	4,7	9,0	178,2	189,4
Gross profit	131,6	132,5	14,8	17,1	3,6	4,5	150,0	154,2
Value adjustments	-37,1	-144,3	-0,2	-3,3	-2,7	-6,4	-40,0	-153,9
Profit from primary opera	69,3	-41,1	11,6	11,2	-0,4	-3,3	80,5	-33,3
Total assets	3.375,6	3.432,7	333,1	349,5	91,5	153,3	3.800,3	3.935,5

Turnover in Nordicom Ejendom has fallen by DKK 11.2 m, to a total of DKK 178.2.2 m, compared to the same period last year.

The lower turnover is due to a reduction in the portfolio of completed investment properties, as a number of properties were sold over the course of 2009. As at September 30th 2010, the total value of completed investment properties amounts to DKK 3,622.8 m (September 30th 2009: 3,710.7). The vacancy rate for Q1-Q3 2010 amounts to 14% (calculated by rental value).

Gross profit for Nordicom Ejendom amounts to DKK 150.0 m (Q1-Q3 2009: DKK 154.2 m), which corresponds to a decrease of DKK 4.2 m.

Net profit from primary operations amounts to DKK 80.5 m (H1 2009: DKK -33.3 m); the increase is due to fewer write-downs on the group's completed investment properties in 2010.

Activities in Denmark

Net profit for the period from primary operations in Denmark amounts to DKK 69.3 m (Q1-Q3 2009: DKK -41.1 m). This increase is due to negative fair value adjustments in 2009, as gross profit is in line with last year.

With regards to vacancy rates, Nordicom expects these to stabilize at current levels for the rest of the year. Not until the beginning of 2011 is a decrease in the vacancy rate expected, when the proceeds from the capital increase in Q3 will be used for investments and improvements within the existing property portfolio.

During Q1-Q3 2010 the following two properties worth DKK 3.3 m were delivered, yielding a profit compared to book value of DKK -1 m:

- Vandtårnsvej 68, Søborg
- One apartment at Møllehusene 1-3, Roskilde

Vandtårnsvej 68, Søborg was sold in 2009 and, as at December 31st 2009, was recognized under investment properties deemed for sale.

No completed investment properties were bought in Denmark in 2010.

Activities in Sweden

Net profit for the period from primary operations in Sweden amounts to DKK 11.6 m (Q1-Q3 2009: DKK 11.2 m) which is on a level with last year's.

In 2010 the property at Magnetjärnet 6, Linköping was delivered. The property was sold in December 2009 for 7.2 m, which corresponds to the book value of the property.

No completed investment properties were bought in Sweden in 2010.

Activities in Germany

Net profit for the period from primary operations in Germany amounts to DKK -0,4 m (H1 2009: DKK -3,3 m). The decrease in turnover is primarily due to sales of properties in H2 2009. Furthermore, development of the property at Lippeltstrasse 1 in Hamburg has commenced, and this has been included in the accounts for Nordicom Udvikling in H1 2010. H1 saw higher realized valuation adjustments compared to the same period in 2009.

No completed investment properties were sold or bought in Germany in H1 2010.

Nordicom Udvikling

DKK mill. Year to date	Denmark		Sweden		Germany		Ejendom Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	159,7	17,8	0,0	0,0	1,5	0,0	161,3	17,8
Gross profit	-10,1	-6,4	0,0	0,0	-1,1	-1,6	-11,2	-8,0
Value adjustments	-14,5	-136,3	0,0	0,0	0,4	0,0	-14,1	-136,3
Profit from primary opera	-33,1	-158,6	0,0	0,0	-1,2	-1,7	-34,2	-160,2
Total assets	881,3	1.338,2	0,0	0,0	91,9	68,9	973,2	1.407,1

Net profit from primary operations in Nordicom Udvikling amounts to DKK -34.2 m (Q1-Q3 2009: DKK -160.2 m), which is an improvement of DKK 123.8 m. The increase in profits is primarily due to last year's large negative valuation adjustments to the company's investment properties under development.

Nordicom continues to work on reducing the group's total involvement in development activities. Our general strategy is to sell off development activities or, alternatively, swap them for completed investment properties with a positive cash flow.

Activities in Denmark

Net profit from primary operations of Danish investment properties under development amounts to DKK -33.1 m (Q1-Q3 2009: DKK -158.6 m). Profit from primary operations has improved, primarily due to fewer write-downs compared to the same period last year.

Sales of project holdings in Denmark amount to DKK 151.2 m (Q1-Q3 2009: DKK 4.6 m), and relate primarily to Vordingborgvej 76 (Føtex) and 24 apartments at Sluseholmen. Føtex was delivered to Dansk Supermarked in April 2010, and contributed positively to gross profit, by DKK 5.6 m. Sales of the remaining 76 apartments at Lindholm are proceeding well and, since September 30th one apartment has been sold every week. However, the sales only contribute to earnings in terms of saved interest expenses, as the apartments are carried at net realization value.

Sale of land to build detached houses at Halvdans Vænge in Næstved is still at a very low level and, at the same time, supply of new land in the area is high. In recent times we have seen several suppliers adjust their prices downwards in order to stimulate sales. The fact that sales prices will be subject to VAT from January 1st 2011 seems to be making sellers include this cost in their prices now already. Obviously, the goal is to sell as many properties as possible before this deadline. Due to changes in price levels, we have also deemed it necessary to adjust our sales prices in order to be competitive compared with other sellers. This adjustment has meant a write-down of DKK 13.0 m in H1 2010, which has been recognized under "operational costs, project holdings". We continue our efforts to sell as many plots of land as possible before the end of the year.

In 2010 Nordicom sold a cinema project at Toldbodgade 14 in Næstved to Nordisk Film. Furthermore, a plot of land at Kinavej / Japanvej was given back to Slagelse Kommune and the deposited amount of money was returned. Nordicom is seeking to reduce its development activities and did not consider the project to be profitable when taking into account current conditions within the property market.

Value creation by project development for own portfolio amounts to DKK 12.9 m and relates to the completion of Rebæk Søpark shopping centre in Hvidovre. Following a refurbishment of DKK 9 m, plus a relocation of previous tenants, space for a Lidl shop of approx. 1,000 m² has been made available, which means that the centre is now almost fully let. Of the DKK 9 m, DKK 8 m was externally financed.

Long-term assets under Nordicom Udvikling amount to DKK 868.7 m as at September 30th 2010. The company's three plots of land at Amager Strandvej, Sluseholmen and Enghave Brygge have been recognized at DKK 667 m as at September 30th 2010 (December 31st 2009: DKK 667 m), which corresponds to an average of DKK 3,300 per expected m² of building right.

Activities in Germany

Net profit from primary operations of German investment properties under development amounts to DKK -1.2 m (Q1-Q3 2009: DKK -1.7 m). DKK -4.1 m of this relates to valuation adjustments on the property at Lippeltstrasse 1, Hamburg, while DKK 4.5 m relates to profit from the sales of the properties of Eidelstedter Brook 7-19 in Hamburg.

At the beginning of December 2009, Nordicom completed the development of a new residential area in Germany, Eidelstedter Brook 7-19, near Hamburg, with a total area of 4,926 m² and a residential area of 4,887 m², plus 49 parking spaces in an underground parking basement. All 49 apartments were let at the time of completion. In December the property was sold for DKK 71.4 m (EUR 9.6 m) to a German fund with a date of delivery of March 1st 2010.

Nordicom is currently in the process of refurbishing a property at Lippeltstrasse 1, Hamburg. The plan is to renovate the façade and to modernise the office spaces as these are leased. The property enjoys a view of Hamburg Hafen and was purchased in 2007 with some vacant space. This is expected to be reduced significantly after the refurbishment ends in H1 2011, and rent will be increased as well.

Expectations for the future

Management of the company's property portfolio has worked as expected in Q3 2010. Nordicom continues to expect a net profit of DKK -20 m to DKK -5 m before valuation adjustments and tax (EBVAT) for the accounting year of 2010.

Uncertainty in recognition and measurement

Investment properties are valued at fair value, calculated on the basis of the property's normal earnings, which, as far as possible, are based on the historically realized operating profit for each individual property, corrected for expected alterations in the nearest year of operations. The fair value of the properties is then calculated through capitalization of the operating return, with the required yield determined individually for each property. The required yield is based on both socio-economic as well as individual factors for individual properties.

The applied valuation principles are the same as were used in the annual report for 2009, and independent valuations for the most important investment properties and plots of land will be used at year end as well, in order to create a stronger foundation for the valuations.

Required yields have a significant impact on Nordicom's net profit and owner's equity. Sensitivity following changes to the required yields means that a rise in the required yields of 0.25% would reduce the investment properties' market value by approx. DKK 126 m.

Investment properties under development are measured using fair value, which is calculated on the basis of capital value calculations for the project's investment horizon. The calculation of fair value is sensitive to changes in the applied assumptions, including the discount factor, sales prices, construction costs, price development and project time.

An analysis of the sensitivity factor is presented in greater detail in Note 2 of the annual report.

Events after the date of the balance sheet

No events of any consequence for the interim report have occurred between the balance sheet date and the time of presentation of the report.

Income statement

Note	DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
	Rental income	189.752	200.538	64.296	66.409
	Proceeds from sales of project portfolios	151.211	4.645	42.143	650
	Interest income on mortgage deeds	2.894	3.680	404	1.207
	Operating expenses, investment properties	-41.469	-40.233	-11.339	-13.277
	Operating expenses, project portfolios	-162.701	-20.877	-43.331	-433
	Gross profit	139.687	147.753	52.173	54.556
	Staff costs	-26.218	-31.995	-7.861	-8.610
	Other external costs	-18.495	-24.098	-3.643	-8.547
	Depreciation	-2.161	-3.023	-691	-676
	Profit before value adjustments	92.813	88.637	39.978	36.723
	Value creation through project development for own holdings, net	12.910	8.115	0	0
4	Fair value adjustments, net	-70.399	-283.374	3.883	-56.499
5	Realized profit through sales of investment properties	3.320	-14.906	-2.685	-2.873
	Profit from primary operations	38.644	-201.528	41.176	-22.649
	Financial income	477	3.918	193	852
	Financial expenses	-96.137	-160.892	-31.963	-51.973
	Profit before tax	-57.016	-358.502	9.406	-73.770
6	Tax on profits	12.480	91.448	-2.352	18.398
	Profit for the period	-44.537	-267.054	7.055	-55.372
	Distribution of profit for the year				
	Parent company's shareholders	-44.537	-266.385	7.055	-55.102
	Minority interests	0	-669	0	-270
	Profit for the year	-44.537	-267.054	7.055	-55.372
7	Earnings per share	-14,80	-89,98	2,29	-18,61
7	Diluted earnings per share	-13,36	-89,98	1,87	-18,61

Statement of total income

Note	DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
	Profit for the period	-44.537	-267.054	7.055	-55.372
	Exchange rate adjustments regarding foreign companies	10.545	5.920	3.663	4.927
	Fair value adjustments on hedging instruments	2.481	-299	1.977	251
	Tax on fair value adjustments on hedging instruments	-653	79	-520	-66
	Total income	-32.164	-261.354	12.175	-50.260
	Distribution of total income the year				
	Parent company's shareholders	-32.164	-260.685	12.175	-49.990
	Minority interests	0	-669	0	-270
	Total income	-32.164	-261.354	12.175	-50.260

Statement of financial position

Note	DKK thousands	30.09.2010	30.09.2009	31.12.2009
ASSETS				
Long term assets				
Intangible assets				
8	Software	1.636	3.007	2.609
		1.636	3.007	2.609
Tangible assets				
9	Domicile properties	64.228	62.799	64.431
10	Completed investment properties	3.622.786	3.710.685	3.480.205
10	Investment properties under development	856.327	1.058.771	979.973
11	Fixtures and operational equipment	1.673	3.297	2.634
		4.545.014	4.835.552	4.527.243
Financial assets				
	Deferred tax assets	5.438	6.698	6.090
	Other receivables	12.335	12.269	14.209
		17.773	18.967	20.299
Total long term assets		4.564.423	4.857.526	4.550.151
Short term assets				
	Project portfolios	62.973	236.564	195.213
	Receivables	79.544	106.913	96.927
	Prepaid expenses	14.750	16.046	8.057
	Mortgage deeds and debt instruments	32.614	50.453	43.215
	Cash and bank balances	109.440	25.802	13.318
		299.321	435.778	356.730
	Investment properties held for sale	0	63.126	72.803
Total short term assets		299.321	498.904	429.533
Total assets		4.863.744	5.356.430	4.979.684

Statement of financial position

Note	DKK thousands	30.09.2010	30.09.2009	31.12.2009
LIABILITIES				
Owner's equity				
	Share capital	120.279	312.786	312.786
	Reserve for hedging transactions	-5.417	-8.573	-7.245
	Reserve for exchange rate adjustments	-775	-10.529	-11.320
	Retained earnings	448.791	488.453	202.687
Equity of the parent company's shareholders		562.878	782.137	496.908
	Equity of minority interests	0	-180	0
12-13	Total equity	562.878	781.957	496.908
Liabilities				
Long term liabilities				
	Deferred tax liabilities	210.644	253.705	223.089
	Provisions	12.335	12.269	12.269
14	Convertible bonds	44.740	0	0
	Credit institutions	3.829.414	2.124.105	2.088.973
	Outstanding amounts on properties purchased	0	29.802	0
	Deposits	29.326	37.860	29.601
Total long term liabilities		4.126.459	2.457.741	2.353.932
Short term liabilities				
	Provisions	10.942	18.837	17.567
	Credit institutions	54.237	1.847.842	1.840.983
	Outstanding amounts on project holdings	8.307	3.670	4.078
	Outstanding amounts on properties purchased	6.338	73.289	87.904
	Trade creditors	12.874	36.512	32.309
	Corporation tax	187	11.506	10.853
	Deposits	27.813	20.501	26.089
	Accrued income	17.509	2.832	2.631
	Other liabilities	36.201	72.546	58.309
		174.408	2.087.535	2.080.723
	Liabilities associated with investment properties held for sale	0	29.197	48.121
Total short term liabilities		174.408	2.116.732	2.128.844
Total liabilities		4.300.867	4.574.473	4.482.776
Total liabilities and equity		4.863.744	5.356.430	4.979.684

Statement of equity

DKK thousands	Share capital	Reserve for hedging transactions	Reserve for exchange rate adjustments	Retained earnings	Proposed dividend	Equity of the parent company's shareholders	Equity of minority interests	Total equity
Equity as at January 1st 2009	312.786	-8.353	-16.449	754.692	0	1.042.676	489	1.043.165
Equity movements in the period								
Total income	0	-220	5.920	-266.385	0	-260.685	-669	-261.354
Recognition of share-based remuneration	0	0	0	184	0	184	0	184
Tax effect of share-based remuneration	0	0	0	-46	0	-46	0	-46
Other equity movements	0	0	0	8	0	8	0	8
Total equity movements	0	-220	5.920	-266.239	0	-260.539	-669	-261.208
Equity as at September 30th 2009	312.786	-8.573	-10.529	488.453	0	782.137	-180	781.957
Equity as at January 1st 2010	312.786	-7.245	-11.320	202.687	0	496.908	0	496.908
Equity movements in the period								
Total income	0	1.828	10.545	-44.537	0	-32.164	0	-32.164
Issurance of convertible bonds	0	0	0	20.975	0	20.975	0	20.975
Capital decrease 27th July 2010	-281.507	0	0	281.507	0	0	0	0
Capital increase 30th September 2010	89.000	0	0	-14.103	0	74.897	0	74.897
Sale of own shares	0	0	0	2.000	0	2.000	0	2.000
Sale of rights regarding own shares	0	0	0	261	0	261	0	261
Total equity movements	-192.507	1.828	10.545	246.104	0	65.970	0	65.970
Equity as at September 30th 2010	120.279	-5.417	-775	448.791	0	562.878	0	562.878

Statement of cash flows

Note	DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
	Profit from primary operations (EBIT)	38.644	-201.528	41.176	-22.649
15	Adjustment of non-liquid operating items, etc.	56.377	290.428	913	60.541
	Change in projects portfolios, net	135.342	4.121	40.791	-23.548
16	Changes in other working capital	-92.685	32.332	-11.207	91.453
	Cash flow from primary activities	137.678	125.353	71.673	105.797
	Financial income, received	477	3.918	193	852
	Financial expenses, paid	-51.878	-184.768	-16.934	-56.582
	Corporation tax paid/received	-10.672	-144	0	-44
	Total cash flow from operating activities	75.605	-55.641	54.932	50.023
	Cash flow from investment activities				
	Purchase of intangible assets	0	-808	0	-17
	Purchase of finished investment properties	0	0	0	0
	Improvements on finished investment properties	-8.844	-38.897	-5.263	-3.641
	Sale of investment properties	101.922	114.787	-1.377	83.138
	Purchase of investment properties under development/dev. costs	-33.606	-58.605	-16.849	-443
	Purchase of other tangible assets	-33	-92	-18	0
	Sale of other tangible assets	159	1.635	26	571
	Purchase subsidiaries and activities	0	-67	0	0
	Total cash flow from investment activities	59.598	17.953	-23.481	79.608
	Cash flow from financing activities				
	Proceeds from loans with credit institutions	44.816	301.636	36.816	18.489
	Instalments and redemption of loans with credit institutions	-161.344	-261.803	-59.659	-146.313
	Capital increase 30th September 2010	74.897	0	74.897	0
	Purchase of own shares	0	0	0	0
	Sale of own shares	2.261	0	261	0
	Total cash flow from financing activities	-39.370	39.833	52.315	-127.824
	Total cash flow for the period	95.833	2.145	83.766	1.807
	Cash and bank balances beginning of period	13.318	23.147	26.042	23.572
	Foreign exchange adjustments of cash and bank balances	289	510	-368	423
	Cash and bank balances as at September 30th	109.440	25.802	109.440	25.802

Notes

Note 1 - Applied accounting policies

The interim report is presented in conformity with IAS 34 "Interim Financial Reporting", which has been approved by the EU, and Danish disclosure requirements regarding interim reports of listed companies. No interim report for the parent company has been prepared.

The interim report is presented in Danish kroner (DKK), which is the functional currency of the parent company.

The applied accounting policies are unchanged compared to the applied accounting policies in the company's annual report for 2009, which was presented in conformity with the International Financial Reporting Standards (IFRS) which are approved by the EU. Please see the annual report for 2009 for a more detailed description of the applied accounting policies.

Convertible bonds

Convertible bonds are seen as consisting of two parts: a financial liability, which is carried at cost price, and an equity instrument with a built-in right to conversion. At the date of issuance, the fair value of the financial liability shall be calculated by applying the market rate of interest for a similar non-convertible bond. The difference between the proceeds from issuance of the convertible bond and the fair value of the financial liability, which corresponds to the built-in option to convert the liability to equity, shall be recognized under owner's equity. The fair value of the financial liability shall be recognized as long-term debt and shall be measured at amortized cost price.

New and changed accounting standards

The following new and changed standards and interpretive guidance are effective for the accounting year of 2010:

- IAS 7 – Statement of Cash Flows (revised) has become effective for accounting years starting July 1st 2009 or later. The new standard means that changes in possessions of capital shares in subsidiaries shall be classified as financing activity. However, if control is gained or lost the cash flows shall be classified under investment activity. The change had no impact on Nordicom's presentation of the interim report.
- IAS 12 – Income Taxes (revised) has become effective for accounting years starting July 1st 2009 or later. The new standard means that adjustments in deferred tax assets made later than 12 months after the date of take-over in a merger/take-over shall be recognized in the income statement. The change had no impact on Nordicom's presentation of the interim report.
- IAS 21 – Changes in Foreign Exchange Rates (revised) has become effective for accounting years starting July 1st 2009 or later. The revised standard states that accumulated currency differences in relation to subsidiaries, joint ventures and associated companies must be recognized in the income statement. The change had no impact on Nordicom's presentation of the interim report.
- IAS 27 – Consolidated and Separate Financial Statement (revised) has become effective for accounting years starting July 1st 2009 or later. The revised standard requires that changes to the parent company's interests in subsidiaries which do not result in loss of control be recognized directly in the equity statement as a transaction with the owners. Only if control is lost can a loss or profit be recognized in the income statement. The change had no impact on Nordicom's presentation of the interim report.
- IAS 28 – Investments in Associates (revised) has become effective for accounting years starting July 1st 2009 or later. The new standard means that if interests in an associated company are disposed of, but significant influence remains, part of the income and costs which were previously recognized directly in the item "other total income" shall now be recognized in the income statement. If the significant influence is lost then all the movements mentioned shall be recognized in the income statement. The change had no impact on Nordicom's presentation of the interim report.
- IAS 31 – Investments in Joint Ventures (revised) has become effective for accounting years starting July 1st 2009 or later. The change means that, in the event interests in a joint venture are disposed of, but the joint control remains, the share of the revenue and costs which was previously recognized under "other total income" shall be recognized in the income statement. If the joint control is no longer in place then

the interests shall be measured according to IAS 39, as long as this is not an associated company or subsidiary, and all the movements mentioned shall be recognized in the income statement. The change had no impact on Nordicom's presentation of the interim report.

- IAS 38 – Intangible Assets (revised) has become effective for accounting years starting July 1st 2009 or later. The change relates to provisions regarding the time used for re-acquired rights. The change had no impact on Nordicom's presentation of the interim report.
- IAS 39 – Financial instruments: Recognition and measurement (revised) has become effective for accounting years starting July 1st 2009 or later. The revised standard specifies how the efficiency of a hedging instrument used to hedge a one-sided risk can be calculated. The change had no impact on Nordicom's presentation of the interim report.
- IFRS 2 – Share-Based Payments (revised) has become effective for accounting years starting January 1st 2010 or later. The changes relate to share-based remunerations which are paid by the parent company even though the subsidiary is the receiver of services or goods. The change had no impact on Nordicom's presentation of the interim report.
- IFRS 3 – Business Combinations (revised) has become effective for years starting July 1st 2009 or later. The implementation of the new standard will mean that, beginning with the accounting year 2010, the group must recognize purchase costs and changes to conditioned purchase fees on property purchases directly in the income statement. The implementation can mean, furthermore, a changed accounting treatment of recognition of goodwill relating to minority interests' shares in the purchased companies and step-by-step take-overs and disposals of companies. The change had no impact on Nordicom's presentation of the interim report.
- IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operation (revised) has become effective for accounting years starting July 1st 2009 or later. The change means that net profits from continuing activities and net profit from terminated activities shall be specified for the majority shareholder as well as the minority shareholder. As Nordicom has no terminated activities the change had no impact on Nordicom's presentation of the interim report
- IFRIC 17 – Distribution of non-cash assets to owners has become effective for years starting July 1st 2009 or later. The interpretation guidance specifies how non-cash dividends shall be treated accounting-wise and when the dividend liability shall be recognized. This has no impact in the presentation of the interim report.
- Annual improvements April 2009. Every year IASB sends out a number of smaller changes to the existing standards. In 2009 these changes related to the following: IAS 17 – Leases, IAS 36 – Impairment of assets, IAS 38 – Intangible assets, IAS 39 – Financial instruments (Recognition and measurement), IFRS 2 – Share-based payment, IFRS 5 – Non-current assets held for sale and discontinued operations, IFRS 8 – Operating segments IFRIC 9 - Reassessment of embedded derivatives and IFRIC 16 - Hedges of a net investment in a foreign operation. The changes will become effective from January 1st 2010 and none of the changes has had any impact on Nordicom's presentation of the interim report.

Note 2 – Accounting estimates

Several items cannot be measured with certainty, but only through estimation. Such estimates comprise assessments made on the basis of the most current information available at the time of the financial reporting. Changes to previous estimates may be necessary due to changes in the conditions forming the basis of the estimation, or due to further information, additional experience or subsequent events

In connection with the practical application of the described accounting principles, the management has made the following important accounting estimates which have had a considerable influence on the interim report:

- Calculation of fair value of completed investment properties
- Calculation of fair value of investment properties under development
- Calculation of fair value of bank debt and convertible bonds according to the bank deal agreement
- Classification of properties
- Calculation of deferred tax assets

- Calculation of fair value of mortgage deeds

Calculation of fair value of completed investment properties

Investment properties are measured at fair value in the annual accounts, based on a standard income model. The calculation of investment properties' fair value is largely based on the management's estimation.

The calculation of fair value based on a standard income model uses the expected operating yield for each property as a point of departure. Estimating the expected operating profit is done based on historically realised net profit numbers for the respective properties, adjusted to encompass expected changes and events. The fair value of the properties is calculated by discounting the net profit by a yield level set by the management for each individual property.

The yield levels are derived quarterly, partly on the basis of the developments in the market conditions for the property type in question, partly on the basis of experience with recent sales and partly on the basis of changes specific to the individual property. For each of the property types a weighted average of the yield levels has been applied in the standard income model as at September 30th 2010, which amount to the following:

Type	Q3 2010	2009	2008
Retail properties	7,05%	6,82%	6,69%
Residential properties	5,67%	5,70%	5,53%
Office properties	6,79%	6,85%	6,55%
L&P properties	8,32%	7,44%	6,74%
Other properties	6,93%	6,33%	6,40%

In the above table the required yields for 2008 have been adjusted so as to make them comparable to 2009 and H1 2010. This has been done because the yield levels for 2008 included a margin for vacancies. In 2009 the treatment of vacancies has been changed so as to deduct the accounting estimate for vacancies separately.

The applied required yield levels have a significant influence on Nordicom's equity. The sensitivity to changing required yield levels is therefore analysed in the table below, where it is clear that an increase in the yield of 0.25% would reduce the market value of the investment properties by approx. DKK 126 m compared to the book values as at September 30th 2010:

Average yield	Change in yield	Change in fair value (DKKm)	Fair value (DKKm)
7,90%	1,00%	-458,7	3.164,1
7,65%	0,75%	-355,3	3.267,5
7,40%	0,50%	-244,8	3.377,9
7,15%	0,25%	-126,7	3.496,1
6,90%	0,00%	0,0	3.622,8
6,65%	-0,25%	136,2	3.759,0
6,40%	-0,50%	283,1	3.905,9
6,15%	-0,75%	441,9	4.064,7
5,90%	-1,00%	614,2	4.237,0

Calculation of fair value of investment properties under development

Investment properties under development include approx. 10 project properties in Denmark and one project property in Germany. The largest projects involve the company's three plots of land at Amager Strandvej, Ved Stigborderne and Enghave Brygge, which have been recognized at a book value of DKK 667.0 m as at September 30th 2010 (December 31st 2009: DKK 667), including associated costs. The expected number of m2

with rights to build amounts to approx. 200,000, which corresponds to an average of DKK 3,300 per expected m² of right to build (December 31st 2009: DKK 3,300).

The assessment of the fair value of the three plots of land as at September 30th 2010 is based on capital value calculations which in turn are based on the budgets for the years 2010-2020 which have been approved by the management. Furthermore, the following significant assumptions have been used to calculate the capital value:

- An average discount factor of 8 %
- An average net sales price per m² of DKK 23,000 excl. VAT for residential and DKK 19,000 excl. VAT for commercial properties
- Average construction costs per m² (net) of DKK 13,700 excl. VAT for residential units and DKK 12,100 excl. VAT for commercial
- A price development for sales prices of 3% and 2% for building costs in the budget period
- Start of construction of the first part of the project in Q4 2011 and sale of the last part in Q1 2022.

On the basis of the above, the executive management has assessed the value of the ongoing development projects in terms of expected future net cash flows, including costs to complete the properties.

Calculation of fair value is sensitive to changes in the applied assumptions. Sensitivity to the most significant assumptions amounts to the following:

- If the construction and sale of all projects are postponed by one year this will reduce the fair value by a total of DKK 135 m.
- If the discount factor is increased by 1% this will reduce the fair value of the three plots of land by a total of DKK 87 m.
- If the sales value per m² decreases by DKK 1,000 this will reduce the fair value of the three plots of land by a total of DKK 130 m.
- If the construction costs per m² increase by DKK 1,000 this will reduce the fair value of the three plots of land by a total of DKK 130 m.
- If sales prices decrease by 1% this will reduce the fair value of the three plots of land by a total of DKK 191 m.

Calculation of fair value of bank debt and convertible bonds relating to bank deal agreement

As a result of the agreements contained in the bank deal, including lowering and fixing the interest rate on bank debt for a period of 3 years, a positive valuation adjustment to the company's bank debt of DKK 75 m has been made. This amount is derived from the difference between the book value of the previous bank loans on one side and the fair value of the new bank loans on the other side. As compensation, the banks have received convertible bonds. Fair value of the convertible bonds has been calculated at DKK 65.5 m. After deducting the value of the issued bonds, a profit of DKK 9.5 m net is arrived at, and this has been recognized under "fair value valuation adjustment, net" ..

The positive valuation adjustment of the bank debt of DKK 75 m shall be deducted accounting-wise during the lifetime of the agreement up until December 31st 2012; this corresponds to approx. DKK -25 m annually. This adjustment is also recognized under "fair value adjustment, net" and amounts to DKK -20 m as at September 30th 2010.

Convertible bonds are seen as consisting of two parts: a financial liability, which is carried at cost price, and an equity instrument with built-in right to conversion. At the date of issuance, the fair value of the financial liability shall be calculated by applying the market rate of interest for a similar non-convertible bond. The difference between the proceeds from the issuance of the convertible bond and the fair value of the financial liability, which corresponds to the built-in option to convert the liability to equity, shall be recognized under owner's equity. The fair value of the financial liability has been calculated as DKK 44.5 m and has been recognized as long-term debt. The equity component amounts to DKK 21.0 m and has been recognized directly in the equity statement. No future measurement of the equity component will be undertaken, while the debt component shall be measured at amortized cost price.

Calculation of the fair value of the new bank loans and the convertible bonds issued, and the allocation of fair value of the convertible bonds to a debt component and an equity component, demands a certain degree of assessment. A significant assessment factor when calculating the fair value of the new bank loans and debt component of the convertible bonds is the market rate of interest for comparable loans. Nordicom has applied a market rate of interest, which corresponds to the average borrowing rate for the portfolio of bank loans immediately before the bank deal negotiations, whilst adjusting for changes in the underlying market rate in the period up to the final agreement. The interest rate derived is 5.1%. In calculating the value of the equity component of the convertible bonds, we have used the usual and recognized valuation models for options where the volatility of the share price is an important factor.

Note 3 - Segment information for the group

In terms of management and reporting, the group is divided into "Nordicom Ejendom", which relates to investment in completed investment properties, and "Nordicom Udvikling", which relates to construction and development of properties for sale or for own portfolio. Both business areas are currently represented in Denmark and Germany, while only Nordicom Ejendom is represented in Sweden.

Amounts not distributed relate to letting of the company's office space at Kgs. Nytorv 26, Copenhagen, and the holding activities of the parent company, including elimination of inter-company transactions and balances.

Income statement for segments - YTD 2010								
DKK thousands	Denmark		Sweden		Germany		Holding etc.	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Rental income	155.082	8.510	18.383	0	4.741	1.537	1.499	189.752
Proceeds from sales of project portfolios	0	151.211	0	0	0	0	0	151.211
Interest income on mortgage deeds	2.894	0	0	0	0	0	0	2.894
Operating expenses, investment properties	-26.359	-7.149	-3.629	0	-1.147	-2.621	-564	-41.469
Operating expenses, project portfolios	0	-162.701	0	0	0	0	0	-162.701
Gross profit	131.617	-10.129	14.754	0	3.594	-1.084	935	139.687
Staff costs	-13.478	-4.843	-678	0	-1.028	0	-6.191	-26.218
Other external costs	-10.143	-3.225	-2.218	0	-309	-459	-2.141	-18.495
Depreciation	-1.588	-335	-8	0	0	0	-230	-2.161
Profit before value adjustments	106.408	-18.532	11.850	0	2.257	-1.543	-7.627	92.813
Value creation through project development for own holdings, net	0	12.910	0	0	0	0	0	12.910
Fair value adjustments, net	-36.171	-27.429	0	0	-2.685	-4.114	0	-70.399
Realized profit through sales of investment properties	-967	0	-204	0	0	4.491	0	3.320
Profit from primary operations	69.270	-33.051	11.646	0	-428	-1.166	-7.627	38.644
Financial income	143	248	68	0	3	12	3	477
Financial expenses	-63.985	-13.995	-8.472	0	-1.956	-2.494	-5.235	-96.137
Profit before tax	5.428	-46.798	3.242	0	-2.381	-3.648	-12.859	-57.016
Tax on profits	-1.360	11.700	-811	0	589	912	1.449	12.480
Profit for the period	4.068	-35.099	2.432	0	-1.792	-2.736	-11.410	-44.537

Income statement for segments - YTD 2009								
DKK thousands	Denmark		Sweden		Germany		Holding etc.	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Rental income	155.472	13.134	21.209	0	9.031	13	1.679	200.538
Proceeds from sales of project portfolios	0	4.645	0	0	0	0	0	4.645
Interest income on mortgage deeds	3.680	0	0	0	0	0	0	3.680
Operating expenses, investment properties	-26.612	-4.766	-4.065	0	-4.497	-171	-122	-40.233
Operating expenses, project portfolios	0	-19.448	0	0	0	-1.429	0	-20.877
Gross profit	132.540	-6.435	17.144	0	4.534	-1.587	1.557	147.753
Staff costs	-15.875	-9.303	-1.768	0	-722	0	-4.327	-31.995
Other external costs	-11.480	-5.917	-894	0	-791	-78	-4.938	-24.098
Depreciation	-2.044	-667	-32	0	0	0	-280	-3.023
Profit before value adjustments	103.141	-22.322	14.450	0	3.021	-1.665	-7.988	88.637
Value creation through project development for own holdings, net	0	8.115	0	0	0	0	0	8.115
Fair value adjustments, net	-132.474	-144.368	-3.281	0	-3.251	0	0	-283.374
Realized profit through sales of investment properties	-11.796	0	0	0	-3.110	0	0	-14.906
Profit from primary operations	-41.129	-158.575	11.169	0	-3.340	-1.665	-7.988	-201.528
Financial income	2.448	1.268	106	0	21	9	66	3.918
Financial expenses	-118.132	-17.948	-9.004	0	-6.145	-58	-9.605	-160.892
Profit before tax	-156.813	-175.255	2.271	0	-9.464	-1.714	-17.527	-358.502
Tax on profits	39.298	43.814	-568	0	2.272	429	6.203	91.448
Profit for the period	-117.515	-131.441	1.703	0	-7.192	-1.285	-11.324	-267.054

Statement of financial position for segments - September 30th 2010

DKK thousands	Denmark		Sweden		Germany		Holding etc.	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Long term assets	3.280.644	789.797	322.307	0	89.548	78.867	3.260	4.564.423
Short term assets	94.987	91.516	10.833	0	1.986	13.025	86.974	299.321
Total assets	3.375.631	881.313	333.140	0	91.534	91.892	90.234	4.863.744
Total liabilities	2.954.589	798.515	246.767	0	101.380	94.628	104.988	4.300.866

Statement of financial position for segments - September 30th 2009

DKK thousands	Denmark		Sweden		Germany		Holding etc.	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Long term assets	3.244.522	1.059.367	336.615	0	148.008	62.985	6.029	4.857.526
Investment properties held for sale	34.197	28.929	0	0	0	0	0	63.126
Short term assets	154.005	249.896	12.872	0	5.307	5.962	7.736	435.778
Total assets	3.432.724	1.338.192	349.487	0	153.315	68.947	13.765	5.356.430
Total liabilities	2.631.600	1.122.988	265.995	0	152.086	71.584	330.220	4.574.473

Statement of financial position for segments - December 31st 2009

DKK thousands	Denmark		Sweden		Germany		Holding etc.	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Long term assets	3.117.783	932.047	286.298	0	146.877	62.135	5.011	4.550.151
Investment properties held for sale	1.600	0	6.938	0	0	64.265	0	72.803
Short term assets	163.035	165.170	13.973	0	3.342	6.442	4.768	356.730
Total assets	3.282.418	1.097.217	307.209	0	150.219	132.842	9.779	4.979.684
Total liabilities	2.935.707	932.778	229.573	0	85.247	142.396	157.075	4.482.776

Statement of cash flows for segments - YTD 2010

DKK thousands	Denmark		Sweden		Germany		Holding etc.	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Profit from primary operations (EBIT)	69.270	-33.051	11.646	0	-428	-1.166	-7.627	38.644
Adjustment of non-liquid operating items, etc.	38.726	14.854	212	0	2.685	-377	277	56.377
Change in projects portfolios, net	0	135.342	0	0	0	0	0	135.342
Changes in other working capital	0	0	-21.861	0	2.504	-14.194	-59.134	-92.685
Cash flow from primary activities	107.996	117.145	-10.003	0	4.761	-15.737	-66.484	137.678
Financial income, received	143	248	68	0	3	12	3	477
Financial expenses, paid	-25.749	-8.328	-8.472	0	-1.956	-2.494	-4.879	-51.878
Corporation tax paid/received	0	0	0	0	-6	0	-10.666	-10.672
Total cash flow from operating activities	82.390	109.065	-18.407	0	2.802	-18.219	-82.026	75.605
Total cash flow from investment activities	21.801	-13.375	6.383	0	-6.453	51.116	126	59.598
Total cash flow from financing activities	-99.537	-95.615	19.334	0	2.474	-27.064	161.038	-39.370
Total cash flow for the period	4.654	75	7.310	0	-1.177	5.833	79.138	95.833
Cash and bank balances as at January 1st	1.859	284	2.173	0	2.421	5.934	647	13.318
Foreign exchange adjustments of cash and bank balances	0	0	278	0	0	11	0	289
Cash and bank balances as at September 30th	6.513	359	9.761	0	1.244	11.778	79.785	109.440

Statement of cash flows for segments - YTD 2009								
DKK thousands	Denmark		Sweden		Germany		Holding etc.	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Profit from primary operations (EBIT)	-41.129	-158.575	11.169	0	-3.340	-1.665	-7.988	-201.528
Adjustment of non-liquid operating items, etc.	146.314	136.920	3.313	0	6.361	0	-2.480	290.428
Change in projects portfolios, net	0	4.121	0	0	0	0	0	4.121
Changes in other working capital	741	9.424	0	0	0	0	22.167	32.332
Cash flow from primary activities	105.926	-8.110	14.482	0	3.021	-1.665	11.699	125.353
Financial income, received	2.448	1.268	106	0	21	9	66	3.918
Financial expenses, paid	-118.132	-39.724	-9.004	0	-6.145	-2.158	-9.605	-184.768
Corporation tax paid/received	0	0	0	0	-50	0	-94	-144
Total cash flow from operating activities	-9.758	-46.566	5.584	0	-3.153	-3.814	2.066	-55.641
Total cash flow from investment activities	39.168	-29.644	-1.271	0	37.988	-28.961	673	17.953
Total cash flow from financing activities	-34.339	78.446	-6.194	0	-33.486	38.187	-2.781	39.833
Total cash flow for the period	-4.929	2.236	-1.881	0	1.349	5.412	-42	2.145
Cash and bank balances as at January 1st	5.988	858	9.284	0	2.893	550	3.574	23.147
Foreign exchange adjustments of cash and bank balances	0	0	517	0	-7	0	0	510
Cash and bank balances as at September 30th	1.059	3.094	7.920	0	4.235	5.962	3.532	25.802

Note 4 - Fair value adjustments, net

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
Fair value adjustments on finished investment properties	-28.078	-115.400	6.427	-54.821
Fair value adjustments on investment properties under development	-28.084	-144.368	3.326	-10.590
Fair value adjustments on debt to credit institutions	-11.728	-2.512	-5.170	8.870
Fair value adjustments on deeds	-2.509	-21.094	-700	42
	-70.399	-283.374	3.883	-56.499

Note 5 - Realized profit through sale of investment properties

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
Sales proceeds investment properties	101.922	117.487	-1.377	83.138
Book value of the properties at time of sale etc	-98.602	-132.393	-1.308	-86.011
	3.320	-14.906	-2.685	-2.873

Note 6 - Tax on profit for the period

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
Tax on profit for the period	-2	-93	1	-44
Tax concerning previous years	-4	2.353	-1	0
Change in deferred tax concerning previous years	-1.769	-437	0	0
Change in deferred tax	14.255	89.625	-2.352	18.442
	12.480	91.448	-2.352	18.398

The recognized tax expenses in the income statement for the accounting period are calculated on the basis of the accounting net profit before tax, and an estimated effective tax rate for the group as a whole for 2010. The estimated effective tax rate for 2010 is 25% (H1 2009: 25%).

In addition to tax on the profit for the period, a tax expense of DKK thousands 653 net has been recognized in other total income, and relates to fair value valuation adjustments of hedging instruments.

Note 7 - Earnings per share

Earnings per share have been calculated on the basis of the following amounts:

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
The parent company's shareholders' share of the profit	-44.537	-266.385	7.055	-55.102
Result after tax after conversion of convertible bonds	0	0	0	0
Net pr Net profit used in calculating diluted net earnings per sha	-44.537	-266.385	7.055	-55.102
Average Average number of shares	3.160.579	3.127.858	3.224.597	3.127.858
Average Average number of own shares	-151.787	-167.487	-137.593	-167.487
Average number of shares in circulation	3.008.792	2.960.371	3.087.004	2.960.371
Average dilutive effect from convertible bonds	323.754	0	690.506	0
Diluted average number of shares in circulation	3.332.546	2.960.371	3.777.510	2.960.371
Earnings per share (DKK)	-14,80	-89,98	2,29	-18,61
Diluted earnings per share (DKK)	-13,36	-89,98	1,87	-18,61

Note 8 – Software

DKK thousands	YTD 2010	YTD 2009
Cost price as at January 1st	6.857	6.026
Additions	0	808
Cost price as at September 30th	6.857	6.834
Depreciation and impairment losses as at January 1st	-4.248	-2.622
Depreciation	-973	-1.205
Depreciation and impairment losses as at September 30th	-5.221	-3.827
Book value as at September 30th	1.636	3.007

Note 9 - Domicile properties

DKK thousands	YTD 2010	YTD 2009
Cost price as at January 1st	64.701	62.981
Additions	0	21
Disposals	0	0
Cost price as at September 30th	64.701	63.002
Depreciation as at January 1st	-270	0
Depreciation	-203	-203
Depreciation as at September 30th	-473	-203
Book value as at September 30th	64.228	62.799

Note 10 - Investment properties

DKK thousands	Finished investment properties	Investment properties under development	Total
Book value as at January 1st 2009	3.672.155	1.262.632	4.934.787
Foreign exchange adjustments	18.776	2.351	21.127
Transfer to/from project holdings	44.661	0	44.661
Transfer to/from investment properties under development	184.065	-184.065	0
Transfer to/from development costs on investment properties	0	107.509	0
Additions, including activated salary and interest costs	38.876	69.722	108.598
Value creation through project development for own holdings, net	0	8.115	8.115
Fair value adjustments, net	-115.331	-144.368	-259.699
Sales	-132.517	0	-132.517
Reclassification to investment properties held for sale	0	-63.125	-63.125
Book value as at September 30th 2009	3.710.685	1.058.771	4.661.947
Book value as at January 1st 2010	3.480.205	979.973	4.460.178
Foreign exchange adjustments	36.763	705	37.468
Transfer to/from project holdings	1.388	0	1.388
Transfer to/from investment properties under development	122.271	-122.271	0
Additions, including activated salary and interest costs	8.844	37.842	46.686
Value creation through project development for own holdings, net	0	12.910	12.910
Fair value adjustments, net	-24.619	-31.543	-56.162
Sales	-2.066	-21.289	-23.355
Book value as at September 30th 2010	3.622.786	856.327	4.479.113

For a more detailed description of the group's investment properties we refer you to the company's webpage www.nordicom.dk.

Completed investment properties as at September 30th 2010:

Property	City	m2	Type
Denmark			
Langebrogade 5	København K	4.990	Office
Tåsingegade 29	København Ø	10.582	Residential
Amagerbanen 15 / Amager Strandvej 20-26	København S	3.980	Office
Englandsvej 51 m.fl.	København S	2.818	Retail
Hejrevej 26-28, Ørnevej 33-35	København NV	8.250	Office
Hejrevej 30	København NV	3.792	Office
Hejrevej 8-10	København NV	10.760	Office
Ørnevej 18, Svanevej 12	København NV	3.937	Office
Sluseholmen (Lindholm)	København SV	4.948	Residential
Tåstrup Stationscenter	Taastrup	26.036	Retail
Rebæk Søpark Butikscenter	Hvidovre	11.695	Retail
Mosedede Centret	Greve	1.705	Retail
Herlev Hovedgade 17	Herlev	43.559	L&P
Ballerup Idrætsby Boliger	Ballerup	327	Residential
Skolesvinget 2	Søborg	650	Retail
Høje Gladsaxe Centret	Søborg	12.411	Retail
Rungsted Bytorv 2-9, Rungsted Ejl.	Rungsted Kyst	1.848	Residential
Prøvestensvej 20	Helsingør	830	Retail
Slangerupgade 48 D, ejerl. 2	Hillerød	1.182	Retail
Allerød Vestcenter	Allerød	1.626	Other
Banetorvet 3 - Ejl. Nr. 2	Allerød	1.404	Other
Zahrtmannsvej 78	Rønne	928	Retail
Aakirkebyvej 58-60	Rønne	5.000	Retail
Algade 13 (Hotel Prindsen)	Roskilde	5.938	Other
Hersegade 23, Jernbaneg. 6 A + B Ejl.	Roskilde	1.054	Retail
Møllehusene 1-3, Roskilde Ejl.	Roskilde	356	Residential
Ro's Have 11	Roskilde	1.250	Retail
Ro's Have 13	Roskilde	1.100	Retail
Ro's Have 14 og 16	Roskilde	3.454	Retail
Ro's Have 8, 10, 12, 18	Roskilde	2.298	Retail
Nørregade 27 A Ejl.	Ringsted	344	Retail
Sct. Bendtsgade 10	Ringsted	1.425	Residential
Ringsted Centret	Ringsted	9.585	Retail
Nørregade 21	Ringsted	632	Retail
Nørregade 31-33	Ringsted	410	Retail
Schweizerpladsen 5, Ejl.	Slagelse	540	Retail
Schweizerpladsen 1 A	Slagelse	977	Office
Schweizerpladsen 1B, - Ejl. 1	Slagelse	419	Retail
Løvegade 6	Slagelse	908	Residential
Schweizerpladsen 1B, 2.tv. - Ejl. 6	Slagelse	175	Residential
Schweizerpladsen 3	Slagelse	910	Residential
Frederiksgade 1	Slagelse	130	Retail
L.C. Worsøesvej 2	Holbæk	3.063	Retail
Vordingborgvej 78	Næstved	4.752	L&P
Vordingborgvej 80-82	Næstved	4.785	L&P
Omøvej 2-26	Næstved	6.481	L&P
Dyssegårdscetret	Næstved	2.391	Retail
Hotel Vinhuset	Næstved	3.400	Other
Omøvej 9	Næstved	899	Office
Toldbuen 6	Næstved	1.950	Office
Femøvej 3	Næstved	5.555	Office
Kanslergade 32 A-E	Odense	2.600	Residential

Dannebrogsgade 2	Odense C	37.860	Office
Svendborgvej 275	Odense S	2.000	Retail
Møllergade 1	Svendborg	1.051	Retail
Vilhelmskildevej 1 C	Svendborg	2.573	Office
Vesterhavnen 17	Nyborg	781	Residential
Jernbanegade 33-35	Kolding	2.574	Residential
Helligkorsgade 1, Naverstræde 3	Kolding	1.304	Retail
Birkemose Allé 23-35	Kolding	6.535	Office
Birkemosevej 9	Kolding	743	Office
Albuen 19	Kolding	3.192	Retail
Fuglsang Allé 4	Fredericia	1.000	Retail
Dæmningen 34	Vejle	3.869	Office
Sjællandsgade 12,16,18	Vejle	10.817	Retail
Silkeborgvej 102	Herning	4.841	Retail
Engdahlsvej 2 A-B, ejl. 1+2	Herning	1.917	Retail
Østergade 30 / Søndergade 2B	Struer	978	Office
Axel Kiers Vej 13	Højbjerg	9.188	L&P
Stagehøjvej 22	Silkeborg	4.000	Office
Kejlstrupvej 84	Silkeborg	43.000	L&P
Århusvej 119-121, Ulrikkasvej 1	Randers	907	Retail
Stenbukken 1 (Center Syd)	Aalborg SV	2.887	Retail
Loftbrovej 17, Nørresundby	Nørresundby	13.098	Retail
		386.154	
Sweden			
Finnslätten 2	Västerås	5.945	Office
Fläkten 11	Växjö	13.500	Office
Galgen 3	Linköping	4.080	Retail
Glasblåsaren 7	Linköping	10.759	Office
Kopparn 10	Norrköping	6.891	Retail
Regulatorn 3	Norrköping	4.960	L&P
		46.135	
Germany			
Vogteistrasse 3, 5, 7	Hamburg	1.089	Residential
In de Krümm 36	Hamburg	1.819	Residential
Grapengiesserstrasse 16	Lüneburg	1.235	Office
Am Sande 12	Lüneburg	1.195	Residential
Dithmarshcerstrasse 1-13 / Krausesstr. 77,79	Hamburg	4.229	Residential
		9.567	
		441.856	

Note 11 - Fixtures and operational equipment

DKK thousands	YTD 2010	YTD 2009
Cost price as at January 1st	11.539	14.785
Foreign exchange rate adjustment	16	14
Additions	33	92
Sale	-346	-2.772
Cost price as at September 30th	11.242	12.119
Depreciation as at January 1st	-8.905	-8.674
Foreign exchange rate adjustment	0	-3
Depreciation	-851	-1.282
Reversed depreciations and write downs, sale	187	1.137
Depreciation as at September 30th	-9.569	-8.822
Book value as at September 30th	1.673	3.297

Note 12 - Share capital

DKK thousands	YTD 2010	YTD 2009
Share capital as at January 1st	312.786	312.786
Capital decrease 27th July 2010	-281.507	0
Capital increase 30th September 2010	89.000	0
Share capital as at September 30th	120.279	312.786

The share capital consists of 12.027.858 shares at nom. DKK 10 each.

No shares have special rights.

At Nordicom's annual general meeting on April 22nd 2010 it was decided to decrease the company's share capital by DKK 281,507,220 nominal, from DKK 312,785,800 nominal to DKK 31,278,580 nominal, with the purpose of changing the nominal size of the company's shares from DKK 100 per share to DKK 10 per share. On April 27th 2010, Nordicom published an announcement to the company's creditors concerning the capital decrease via the Danish Commerce and Companies Agency's IT system. The deadline for creditors to raise any objections was July 27th 2010, and the capital decrease has therefore been undertaken.

At Nordicom's annual general meeting on April 22nd 2010 the company's board of directors was authorized to increase the share capital by a maximum of DKK 150 m (in price value) at market price or a favourable price by cash payment with pre-emptive rights for the company's existing shareholders. On September the 30th 2010 8,900,000 new shares were issued yielding gross proceeds of DKK 89 m. Net proceeds after deduction of costs associated with the issuance amounted to DKK 74.9 m. The new shares were registered at the Danish Commerce and Companies Agency October 1st 2010. Hereafter Nordicom A/S's nominal share capital amounts to DKK 120,278,580 corresponding to 12,027,858 shares of each DKK 10 nominal.

Note 13 - Own shares

	Number	Nominal value	% of share capital
January 1st 2009	167.487	16.749	5,4%
Sold during the year	0	0	0,0%
Purchased during the year	0	0	0,0%
September 30th 2009	167.487	16.749	5,4%
January 1st 2010	166.116	16.612	5,4%
Sold during the year	-28.523	-2.852	-0,9%
Purchased during the year	0	0	0,0%
September 30th 2010	137.593	13.760	4,5%

As part of a settlement concerning a property built in Emdrup Have, Nordicom A/S paid out DKK 2.0 m, which corresponds to 28,523 shares in Nordicom A/S. The case is described in further detail in Note 17.

Note 14 – Convertible bonds

As a fee for the banks' participation in the bank agreement, including their lowering of the current interest rates on the company's debt to a fixed rate for three years, convertible bonds of nominal DKK 69,050,600 will be issued to the banks involved. The bonds are non-putable for the banks until December 31st 2029, will not be amortized and carry no coupon. In return, the banks have the right to convert these bonds to shares in the period from January 1st 2013 to September 30th 2014 at a price of 100.

Note 15 - Non-liquid operational items etc.

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
Depreciations and impairments	2.161	3.023	691	676
Fair value adjustments, net	57.489	275.259	-3.883	56.499
Profit/loss from sale of properties	-3.320	14.906	2.685	2.873
Share-based payments recognized in income statement	0	138	0	0
Other adjustments	47	-2.898	1.420	493
Total adjustments	56.377	290.428	913	60.541

Note 16 – Changes to working capital

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
Change in receivable rental income	12.564	-4.369	4.756	59.619
Change in mortgage deeds and letters of debt held for trading	8.092	1.310	-4.871	371
Change in provisions	-6.559	-9.151	-4.145	-419
Change in deposits	1.449	5.707	458	755
Change in other debt	-108.231	38.835	-7.405	31.127
Total change in working capital	-92.685	32.332	-11.207	91.453

Note 17 - Guarantees and contingent liabilities

In 2010, the company reached a settlement in an arbitration case with a building company claiming payment of DKK 5.6 m for the remaining part of a project, which sum has been deposited. The settlement was DKK 3.0 m, payable to the building company, which will take place by releasing the deposit account when the other deposit conditions in the building contract have been adhered to. The amount was provisioned as at December 31st 2009, so the settlement has not had any impact on the 2010 net profit.

In H1 2010 the company reached a settlement with Ejendomsselskabet af 21/6 2005 ApS, Ejerforeningen Lundedalsvej 32-40 and the owners of the apartments 1-60 plot no. 1011 Emdrup, Copenhagen in the case at Østre Landsret, which means that Nordicom must pay 28,523 Nordicom A/S shares (approx. DKK 2.0 m) and DKK 6.0 m in cash to Ejendomsselskabet af 21/6 2005 ApS by July 10th at the latest. Of the total compensation amount of DKK 8 m, DKK 7 m was provisioned as at December 2009, which means that DKK 1 m will be registered as a cost in 2010.

The settlement amount is, furthermore, a complete and final decision on any outstanding, including known and unknown errors in the buildings. Also, the agreement states that Nordicom is not going to repair or maintain the properties at the 1- and 5-year reviews of the properties.

Note 18 - Closely related parties

Closely related parties are defined as the Nordicom group, the Nordicom board, and the executive management of Nordicom, including other external companies owned by the executive management of Nordicom.

Companies in the Nordicom group comprise subsidiaries, associated companies and joint ventures over which Nordicom has a controlling influence or a significant influence.

In the accounting period, the following transactions have taken place between Nordicom and its closely related parties:

DKK thousands	YTD 2010	YTD 2009	Q3 2010	Q3 2009
Nordicom's purchase of services from a law firm where the former chairman of the board is a partner	192	873	0	112
Nordicom's purchase of services from a consultancy firm owed by the chairman of the board	400	0	0	0
Nordicom's purchase of services from a consultancy firm owed by the deputy chairman of the board	200	600	0	0
Interests on debt to company owed by member of the board	0	53	0	0

Nordicom's purchase of services from the chairman of the board relates to the work undertaken by Steen Hundevad Knudsen and his own company before he was appointed chairman of the board. This work consisted of negotiating with various banks and other pre-operational work in composing the new board of directors.

No closely related parties have a controlling influence in Nordicom A/S.

Note 19 – Events after the date of the balance sheet

No events of any consequence for the interim report have occurred between the balance sheet date and the time of presentation of the report.