

Company Statement No. 90 of 14th May 2009**Period Statement for Tower Group A/S for the period 1st January – 14th May 2009**

Tower Group hereby announces its period statement covering the period 1st January to 14th May 2009.

The period statement is published in accordance with § 27, section 8 of the Danish Securities Trading Act and it expresses the wish of the company to lead an open and informative IR policy.

Events in the period 1st January to 14th May 2009:

- As part of a future consolidation phase Tower Group A/S has strengthened the management of the board of directors and of the board.
- Mr. Michael Brag was appointed new CEO as per 1st January 2009. The former CEO of the company, Procida, was appointed new COO in charge of the daily management of the company, and the former COO, Henrik Norup, withdrew from the board of directors of his own choice.
- At an extraordinary general meeting on 30th January 2009, Niels B. Thuesen and Svend J. Heineke were elected members of the board. The two new members replace Mads Richardt and Steen Hvidt, who both wanted to withdraw from the board. The board elected its officers as follows: Chairman: Jens Erik Christensen and vice chair: Jesper Bo Hansen.
- As from 1st February 2009, the administration contract with Tower Management A/S terminated and as a consequence of this, the employees in Denmark and in Germany were transferred to Tower Group. At the same time, certain cost cuts and changes were made for a new organisation at Tower Group and a series of cost savings were implemented. Furthermore, focus was taken off purchase and concentrated on operational improvement.
- Taking effect as from 1st February 2009 the company has denounced its administration contract with the German company Curanis Wohnimmobilien GmbH due to important violation of the contract relating to the administration of the properties in NRW belonging to Tower Group, which represents more than 50% of the total activities of the company. An interim claim has been set at 3.5 million EUR, which will be presented through the courts.
- Because of the break-up with Curanis, Tower Group has established a new set-up in NRW, where the portfolio is managed by a network of 3 superintendents besides an independent management in Wuppertal. The portfolio is centrally recorded at a German office, but using Tower Group's own system of accounts in a new set-up assuring the ownership of data and real-time updating. Having studied the process of NRW, Tower Group has decided to insource the

management of 2853 of the group's leases in Wuppertal and its surroundings through the company's office in Wuppertal. Furthermore, a personal leasing concept was established in Wuppertal (www.wuppertal-wohnen.de) that together with a specific division for arrears, increases the leasing level and ensures a close follow-up on the arrears on rent of the NRW portfolio. Furthermore, as per the month of April the new-established accounting system will offer better possibilities of following the result at selected external administrators in NRW and give an improved asset management in relation to external administrators. With a continuous focus on the optimising of the operation, other possibilities of insourcing are being considered, such as the possibility of transferring parts of the Berlin administration to in-house management.

- The operational losses that were demonstrated in the second half of 2008 and announced in the company statement of 23rd December 2008, meant a rather overstretched cash position of the company. Compared to the need for refinancing, the company has, so far in 2009, negotiated with a number of Danish bankers. An agreement has been reached as to the main conditions of an agreement with a number of Danish bankers. The purpose of the agreement is to ease the short-term cash challenges relating to the administration of properties, while the management of the company is still working on a strengthening of the total capital structure of the company and giving Tower Group the option of adapting and rationalizing the operation in order to strengthen the continuous operation and profitability of the group.

The overall strategy of Tower Group is to invest in German properties that are well situated and that represent an attractive investment potential. The goal is to create a healthy and stable business with a potential of important value increment to the shareholders. The investment has a long-term horizon and the properties of the company must, at portfolio level, generate a positive cash flow.

Given the restrictions as to the access to financing and based on the fact that the administration of the company's property portfolio shall be made more efficient in order to ensure a positive cash flow, the company has stopped the purchase of new properties, and focus is entirely on the administration of properties and further value creation through active asset management.

We do not expect the above events to influence on the expectations as to the net result of the financial year 2008/09, which prior to valuation adjustments and tax is expected to represent -110 million DKK to -120 million DKK.

Kind regards
Tower Group A/S

Michael Brag
CEO

For any questions relating to the present statement, please call Michal Brag, CEO, on 39 45 26 00 or 25 10 12 00.