

Press release from Landic Property hf.

Reykjavík, 26th January 2010

The board of Landic Property hf. requests a bankruptcy petition

The board of Landic Property hf. has requested a bankruptcy petition of the company's holdings before the District Court in Reykjavik.

The creditors of Landic Property hf. rejected the composition proposal for the company. 79 creditors passed the proposal, 6 stood by or were not present, but 2 rejected the proposal. Those who control 97,65% of the claim amount passed the proposal, but the percentage of the headcount of those who passed the proposal was 83,5%. Both percentages would have needed to be at least 96% so the proposal would be considered approved. In regard to the results of the creditors meeting the company has decided to request a bankruptcy petition.

After the reconstruction over the past months Landic Property hf. has become a holding company. The company's main assets are cash, about 900 million ISK, rights of claimants around 300 million ISK, and 16% equity in the real estate company Reitir. The company's total debt is around 120 billion ISK.

For further information please contact:

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