

Sjælsø expects for 2009 a loss before tax of DKK 700 million, and DKK 525 million after tax and write-downs.

Profit expectations for 2010 are unchanged.

Sjælsø issues profit warning for 2009. After additional write-downs expectations are now a loss before tax of approx. DKK 700 million, and a loss after tax of approx. DKK 525 million for 2009.

Sjælsø previously expected a loss of DKK 450-550 million including write-downs of approx. DKK 100 million as per 30 June 2009 and exclusive potential further write-downs per 31 December 2009.

The expected loss off approx. DKK 700 million can be summarised as follows:

	Million DKK, approx.
Loss before tax and write-downs	-500
Write-downs per 30 June 2009	-100
Write-downs per 31 Dec. 2009	-100
Loss before tax	-700
Income taxes	175
Loss after tax	-525

Sjælsø's equity after this represents approx. DKK 1.9 billion at 31st December 2009 corresponding to approx. DKK 25 per share.

The changed expectations are based on the following issues:

- Postponed sale of projects from 2009 to later.
- Additional expenses in connection with the rights issue and restructuring process in 2009.
- Expenses of restructuring, including adaptation of the organisation to the expected future activity level.
- Losses on interest swaps due to low interest level.
- Discontinuation of the cooperation relating to project Copenhagen Residential, after which Sjælsø assumes the ownership of the three completed properties in Ørestad, Valby and Frederiksberg.
- Additional write-downs and provisions for unsold projects and the land portfolio at the end of 2009 as a consequence of the continued weak cycles.

POSTPONED SALE OF PROJECTS

The capital increase process performed during the second half of 2009 took longer time than expected and resulted in a significantly more reluctant attitude from the Company's business partners than expected. Accordingly, it was not possible to close the ongoing negotiations before the end of the year which caused reduced sale and earnings in 2009.

The negotiations for many projects are still in process, and Sjælsø expects to be able to close several of them in the near future.

COPENHAGEN RESIDENTIAL

Sjælsø has concluded agreement with the co-investors in Copenhagen Residential about discontinuing the cooperation on the project. After this, Sjælsø will acquire the co-investors' ownership of shares in the project and thereby assume the full ownership of the three completed projects in Ørestad, Valby and Frederiksberg.

In the above expectations for 2009, the three projects have been written down to the expected sales value at present. The letting of the properties is going well, and the projects are expected sold to investors during 2010.

The remaining non-initiated projects in Copenhagen Residential are not expected performed in the present design. The projects are currently being reassessed and processed for the purpose of adaptation to the current market situation.

ADDITIONAL WRITE-DOWNS OF PROJECTS AND OWNERSHIP SHARES

Sjælsø is currently assessing whether a positive return can be achieved on development and sale of future projects (the pipeline/land portfolio) and unsold completed projects. To the extent satisfactory earnings are not achievable, write-downs will be made on the projects.

Based on the continued weak cycles on the property market affecting the turnover in the industry, additional write-downs of approx. DKK 100 million are expected by the end of 2009. After additional write-downs at the end of 2009, total write-downs of approx. DKK 200 million for 2009 are expected.

Please note that write-downs and provisions will not affect Sjælsø's cash-flow and free liquidity.

EXPECTATIONS OF PROFIT FOR 2010 UNCHANGED

Previously announced expectations of a loss in 2010 of DKK 0 – 250 million before potential write-downs and provisions are unchanged.

Statement of accounts for 2009 will be released at the 9th March 2010.

FURTHER INFORMATION:

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