

Sjælsø's financial position further strengthened

The rights issue completed in December 2009 strengthened Sjælsø's cash position and equity. At the same time, existing loans were extended to June 2011 at the earliest.

Sjælsø has now entered into agreements with a number of Sjælsø's banks, which will further strengthen Sjælsø's cash and financial position.

Under the agreements, DKK 2.4 billion of Sjælsø's bank debt is extended until July 2014, corresponding to some 55% of the group's total debt, including debt in joint ventures. Furthermore, the loan terms are improved as well as interest rate swap agreements and some loans are rearranged.

The agreements will strengthen Sjælsø's cash position by DKK 175–200 million over the next two years and provide Sjælsø with access to new loans, thereby improving the group's possibilities of completing new projects in the pipeline. The agreements will only have a very limited effect on the financial results for 2010, but they will support the company's profit potential in the coming years.

With the agreements in place, more than half of Sjælsø's total debt have been extended to July 2014. However, Sjælsø still expects a substantial part of the debt to be repaid before 2014 in connection with the sale of fully developed projects and completion of projects in the pipeline.

Sjælsø has focused especially on securing an extension of the financing of the portfolio of land for future projects. Following the signing of the agreements, two-thirds of Sjælsø's bank debt relating to the land portfolio have been extended until July 2014. Some of Sjælsø's other loans related to the land portfolio have in advance maturity in 2012 and 2013, respectively.

Flemming Joseph Jensen, CEO of Sjælsø, comments: "The agreements confirm that the banks have confidence in Sjælsø's long-term profit generation and potential. We have strengthened our financial position further and secured better possibilities of completing the projects in our pipeline. At the same time, we are pleased to see a generally more positive trend in the market. In the first half year of 2010, Sjælsø signed contracts for the sale of projects worth more than DKK 1 billion."

INTERIM REPORT FOR THE FIRST HALF OF 2010

Sjælsø expects to publish its interim report for the first half year of 2010 on 31 August 2010. The interim report will elaborate on Sjælsø's financial outlook and market conditions.

FOR FURTHER INFORMATION:

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