

Nordicom A/S

CVR no. 12 93 25 02

H1 2009 group interim report

(for the period January 1st - June 30th 2009)

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Summary for H1 2009

- In H1 2009, Nordicom increased its rental income by DKK 8.1 m, from DKK 126.0 m to DKK 134.1 m, which, in light of the current market, is satisfactory and encouraging in relation to its revised strategy of focusing on cash flow properties. The vacancy rate of the groups completed investment properties rose marginally by 0.5% (excluding the newly built residential building Lindholm) in H1 2009 compared to H1 2008, which was expected in today's market.
- Operating cash flow for H1 2009 amounts to DKK -58.7 m (H1 2008: DKK -94.8 m), which corresponds to an improvement of DKK 36.1 m compared with the same period last year. Cash flow from primary operations improved by 43.4 m, while financial costs increased by DKK 8.7 m. Compared to Q1 2009, cash flow from operating activities has improved by DKK 4.4 m, and the negative cash flow relates to the company's development activities and one newly built property.
- The company has continuously achieved extensions on the short-term debt, which became due in H1 2009, including the approximately DKK 1bn which was due on June 30th 2009. The majority of the short-term debt that was extended has been replaced by new short-term debt. The group's financial resources and operating liquidity are still conditional on achieving more property sales in 2009 or entering into agreements with the group's mortgage institutions on refinancing of the company's short-term debt on more advantageous terms.
- The long-term debt has increased to 57.1% in H1 2009 due to the conversion of bank debt to mortgage loans, and some loans have been extended. The company is still prioritising a strategy of converting as much short-term debt into long-term debt in 2009 as possible.
- End of June 2009, the market conditions are still difficult and, as a direct result, write-downs of DKK 60.6 m on completed investment properties have been carried out. Consequently, Nordicom is going to continue with our present strategy of increasing the properties' value through building improvements, rental optimization and optimizing the daily management of the properties, thereby creating a basis for future positive valuation adjustments of the investment properties.
- The change in strategy for Nordicom, which means that in the future the company will get less involved in green field development and downsize its activities in the areas of low-energy homes and parking, has, in the course of H1 2009, gradually been implemented. The new focus combined with difficult conditions in the developers market - more specifically limited access to finance and a distinct lack of users has meant a total write-down of the value of the project portfolio of DKK 133.8 m.
- Net profit before tax for H1 2009 comprises DKK -284.7 m (H1 2008: DKK 84.4 m). This decrease in profit is primarily due to negative fair value adjustments and higher interest expenses compared with the same period last year. Profit from renting out investment properties is still increasing, while the profitability of development activities has declined significantly.

- After the balance sheet date the company has sold 3 properties for a total of DKK 117.7 m which have given rise to an accounting loss of DKK 6 m and a positive liquidity of DKK 34.5 m. It is the objective to divest further development properties, alternatively, let them engage in barter transactions with completed investment properties and it is our expectation that one or more agreements will fall into place during the H2 2009.
- In July Nordicom converted mortgage debt of DKK 800 m with one year interest maturity to two and three year maturities to reduce its interest rate risk and benefit from more advantageous interest rate conditions.
- For the accounting year of 2009, we expect a net profit before tax and valuation adjustments of DKK -40 to -50 m, which is in the lower end of the range previously announced.

Company information

Company

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Board of Directors

Torben Schøn, Chairman
Michael Vad Petersen, Deputy Chairman
Ole Vagner
Per Mellander
Søren Pind

Executive management

Niels Troen

Audit

Deloitte Statsautoriseret Revisionsaktieselskab

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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 – June 30th 2009 for Nordicom A/S.

The interim report has been reviewed by the company's auditors and has been 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 June 30th 2009, as well as of the net profit from the Group's activities and cash flows for the period January 1st – June 30th 2009.

Furthermore, we regard the management's statement as giving a true and fair picture of the 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, August 20th 2009

Executive management:



Niels Troen

Board of Directors:



Torben Schøn, Chairman



Ole Vagner



Michael Vad Petersen, Deputy Chairman



Per Mellander



Søren Pind

Independent auditor's review report on the interim financial report

To the shareholders of Nordicom A/S

Introduction

We have reviewed the interim financial report of Nordicom A/S for the period 1 January to 30 June 2009, which comprises the Statement by Management on the interim financial report, income statement, statement of comprehensive income, statement of changes in equity, statement of financial position, cash flow statement and notes. The interim financial report has been presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

We did not review the comparative figures at 30 June 2008.

Management is responsible for the preparation and fair presentation of an interim financial report in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

Our responsibility is to express a conclusion on this interim financial report based on our review.

Scope of review

We conducted our review in accordance with the Danish Standard on Review Engagements, RS 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Danish Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit. We have not performed an audit and accordingly we do not express an audit opinion on the interim financial report.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report does not give a true and fair view of the Group's financial position at 30 June 2009 and of its financial performance and cash flows for the period 1 January to 30 June 2009 in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

Emphasis of matter affecting the interim financial report

Without this having affected our conclusion, we refer to "Balance sheet at 30 June 2009" in the Management's review in which Management comments on the uncertainty related to the Group's financial resources and operating cash funds. We did not in our review identify any matters that cause us to take a different view than that of Management.

Copenhagen, 20 August 2009

Deloitte

Statsautoriseret Revisionsaktieselskab



Anders O. Gjelstrup
State Authorised Public Accountant



René H. Christensen
State Authorised Public Accountant

Group key and main figures

Amounts in DKK thousands

Income statement

	YTD 2009	YTD 2008	Q2 2009	Q2 2008	All year 2008
Turnover	140.597	324.019	71.467	194.388	552.874
Operating expenses	-47.400	-214.170	-13.018	-140.138	-356.260
Gross profit	93.197	109.849	58.449	54.250	196.614
Personnel and other external expenses	-38.936	-31.517	-19.792	-15.475	-68.231
Profit from associated companies	0	-1.571	0	-1.571	-33.271
Depreciation	-2.347	-1.617	-1.368	-767	-3.699
Profit before valuation adjustments	51.914	75.144	37.289	36.437	91.413
Valuation adjustments	-230.793	89.239	-207.625	58.296	-170.514
Operating profit	-178.879	164.383	-170.336	94.733	-79.101
Financial items	-105.853	-79.970	-52.764	-39.131	-183.959
Profit before tax	-284.732	84.413	-223.100	55.602	-263.060
Tax on profit	73.050	-22.554	57.647	-15.241	58.171
Net profit	-211.682	61.859	-165.453	40.361	-204.889

Balance sheet

Assets

	30.06.2009	30.06.2008	30.06.2009	30.06.2008	31.12.2008
Long-term assets	5.210.200	5.250.621	5.210.200	5.250.621	5.329.232
Short-term assets	308.630	816.164	308.630	816.164	296.093
Total assets	5.518.830	6.066.785	5.518.830	6.066.785	5.625.325

Liabilities

Owner's equity, end of period	832.216	1.340.828	832.216	1.340.828	1.043.165
Long-term liabilities	2.555.390	3.215.615	2.555.390	3.215.615	2.479.503
Short-term liabilities	2.131.224	1.510.342	2.131.224	1.510.342	2.102.657
Total liabilities	5.518.830	6.066.785	5.518.830	6.066.785	5.625.325

Cash flow

	YTD 2009	YTD 2008	Q2 2009	Q2 2008	All year 2008
Operating cash flow	-58.737	-94.774	-27.163	-30.848	-41.533
Investing cash flow	-61.652	-348.722	-18.138	-61.677	-419.074
Financing cash flow	167.654	198.032	50.443	219.309	61.945
Total cash flows	47.265	-245.464	5.142	126.784	-398.662

Group key and main figures

	YTD 2009	YTD 2008	Q2 2009	Q2 2008	All year 2008
Share capital (DKK thousands)	312.786	312.786	312.786	312.786	312.786
Return on owner's equity before tax	-26,2	6,6	-20,5	4,4	-21,7
Return on owner's equity after tax	-19,5	4,9	-15,2	3,2	-16,9
Share price, end of period	79	414	79	414	68
Intrinsic value per share, end of period	281	445	281	451	349
Earnings per share before tax	-96	28	-75	19	-88
Earnings per share after tax	-72	21	-56	14	-68
Price/intrinsic value, end of period	0,3	0,9	0,3	0,9	0,2
Solvency ratio (%)	15,1	22,1	15,1	22,1	18,5

Management's statement

Development of the Group's activities

In H1 2009, rental income has increased by DKK 8.1 m, from DKK 126.0 m to DKK 134.1 m, which, in light of the current market, is satisfactory. In 2009 Nordicom experienced how the negative economic developments have affected tenants, who have found it increasingly difficult to pay their rent on time. We are following this development very closely and, while it currently does not constitute a real problem, it affects the vacancy rate for the groups completed investment properties, which rose marginally by 0.5% (excluding the newly built residential building Lindholm) compared to H1 2008.

Sales of project holdings amount to DKK 4.0 m in H1 (H1 2008: DKK 195.4 m), and consist of one apartment in Ro's Have, Roskilde and a smaller property in Helsingør. The sale price fell by DKK 191.4 m compared with last year when properties sold in the Lindholm project were delivered.

Gross profit for H1 2009 amounts to DKK 93.2 m (H1 2008: DKK 109.8 m), which corresponds to a decrease of DKK 16.6 m.

The Group's capacity costs comprise DKK 41.3 (H1 2008: DKK 33.1 m), which is an increase of DKK 8.2 m. This increase is a result of there being fewer development projects in H1 2009 which, accounting-wise, means that approx. DKK 5.9 m less has been activated for development project costs compared to H1 2008. In addition to this, fees paid to external advisors have increased in H1 2009 as the company transitions to the new market conditions and the new strategy.

In H1 the organisation was adjusted to make it better prepared for the implementation of a new business strategy. This has meant a net reduction in the number of employees of 3 people. At the same time, strengthening of the Group's rental department has been carried out and a new finance function has been created. Staff reductions, together with the adjustments late 2008, come into effect in H2 2009, which is why the total capacity costs for 2009 are not expected to exceed those of 2008.

Value creation by project development for own portfolio amounts to DKK 8.1 m (H1 2008: DKK 21.2 m), and relates to two newly constructed domiciles which were delivered in Q2 2009 - to Max Bank in Næstved and Trevira Neckelmann in Silkeborg, which makes and dyes polyester yarn.

Fair value adjustments of DKK -93.1 m net (H1 2008: DKK 52.7 m) consist of valuation adjustments of completed investment properties of DKK -60.6 m, valuation adjustment of debt owed to credit institutions of DKK -11.4 m and valuation adjustment of the group's holdings of mortgage deeds of DKK -21.1 m.

At the end of each quarter the fair value of individual properties is estimated. Valuation adjustments arise due to changes in general market conditions or more specific aspects concerning the individual property, including changes in the rent paid according to the agreed lease contracts, rent increases following improvements in the individual leases or new contracts entered into with new tenants.

In H1 2009 a significant tenant's lack of payment led to termination of the lease contract. The property was subsequently re-leased to new tenants, but at a lower level of rent which, using an unchanged level of yield, means a negative valuation adjustment for the property of DKK 38.9 m.

End of June 2009, market conditions are still difficult and, as a direct result, write-downs of DKK 60.6 m on completed investment properties have been carried out. Consequently, Nordicom is going to continue with our present strategy of increasing the properties' value through building improvements, rental optimization and optimizing the daily management of the properties, thereby creating a basis for future positive valuation adjustments of the investment properties.

Reducing the Group's total exposure to development activities continues to be a priority. The general goal is to sell off development projects or alternatively exchange them for completed investment properties with a positive cash flow. However, the market for properties and projects is still very quiet, though we expect that one or more deals will be struck in the course of H2.

Due to the changed market conditions for project development and changes to the objectives for some of the properties, book value write-downs of DKK 133.8 m have been carried out in H1. Some of the projects are estimated as having too long a time horizon with too many elements of risk along the way. Other projects continue to be profitable but cannot be carried out at present due to lack of financing.

Financial items comprise DKK 105.9 m net (H1 2008: 80.0 m), which is an increase of DKK 25.9 m. This increase is due to borrowing costs related to conversions of loans, higher market interest rates and a larger debt compared with the same period last year. In H1, the Group was yet to benefit in full from the lower level of interest rates initiated by the world central banks.

Balance sheet as at June 30th 2009

The group's long-term assets comprise DKK 5,103.5 m as at June 30th 2009 (31.12.2008: DKK 5,329.2 m), which is in line with end of year 2008. In H1 2009 we invested DKK 93.4 m in improvements to and development of existing properties, while properties were sold for a total of DKK 31.6 m. For the remainder of the year we expect a continued net sale of investment properties in the Danish market.

Short-term assets comprise DKK 415.3 m (31.12.2008: DKK 296.1 m), which is an increase of DKK 119.2 m compared to end 2008. The increase is due to sale of properties after the balance sheet date which are recognised under assets held for sale.

Owner's equity amounts to DKK 832.2 m (31.12.2008: DKK 1,043.2 m), corresponding to a reduction of DKK 211.0 m. This decrease is due to the losses for the period.

Debt owed to credit institutions comprises DKK 4,124.3 m (31.12.2008: DKK 3,945.2 m). At June 30th 2009, long-term debt comprises DKK 2,356.8 m, which corresponds to 57.1 % of the total debt (31.12.2008: 52.4 %). The long-term debt share has increased in H1 2009 due to the conversion of a large part of our bank debt to mortgage loans, and some loans have been extended.

The company has continuously achieved extensions on our short-term debt which became due in H1 2009, including the approximately DKK 1bn was due on June 30th 2009. The majority of the short-term debt that was extended has been replaced by new short-term debt, and the company is still prioritising our strategy of converting as much short-term debt into long-term debt in 2009 as possible.

The group's financial resources and operating liquidity have as yet not been secured for the whole of 2009, and the management still considers the group's financial resources and operating liquidity to be tight. As mentioned above, the company has achieved extensions on our short-term debt, and the management has initiated positive negotiations with the group's banks regarding refinancing and improvement of the company's financing structure, however these negotiations have not yet been completed. The group's financial resources and operating liquidity are therefore conditional on our achieving more property sales in 2009 and/ or entering into agreements with the group's mortgage institutions on refinancing of the company's short-term debt on more advantageous terms. The management considers these above assumptions to be realistic, which is why the management is presenting the interim report on the basis of continuing as a going concern. Should the group not be able to achieve the expected property sales or agreements on refinancing of the group's short-term debt, the group will not be able to continue its operations without a capital injection.

At the extraordinary general meeting on May 25th 2009 it was unanimously decided to authorize the board of directors, in the period up until April 1st 2014, to increase the company's share capital by an amount of up to DKK 150 m, and furthermore to be able to issue convertible bonds or other convertible letters of debt of up to DKK 150 m. The board of directors is currently awaiting the result of current negotiations with the company's mortgage banks before deciding whether to make use of this authorization. With the aim of ensuring high credibility in terms of the company's ongoing reporting, the board of directors has decided to have the company's auditor review the interim report.

Cash flows for H1

Cash flows from operating activities for H1 2009 comprise DKK -58.7 m (H1 2008: DKK -94.8 m), corresponding to an improvement of DKK 36.1 m compared to the same period last year. Cash flow relating to primary operations has improved by DKK 43.4 m, while financial costs have increased by DKK 8.7 m.

The Group's cash flows from operating activities were affected by DKK -9.1 m from 85 apartments at Lindholm which were completed in Q4 2008. The process of renting these out is expected to be completed by the end of 2009, at which point the project will be cash flow-positive. As at June 30th 2009, rental contracts of 33 out of 85 apartments had been signed.

Compared to Q1 2009, cash flow from operating activities has improved by DKK 4.4 m, partly due to lower interest expenses and partly following the delivery of two new properties to their tenants. The average borrowing rate decreased in 2009 and is expected to remain at a low level for the remainder of the year. The negative cash flow from operating activities should therefore not be seen as indicative for the remainder of the year.

Cash flows from investing activities comprise DKK -61.7 m (H1 2008: DKK -348.7 m). The investments primarily relate to ongoing development projects, including the construction of new domiciles for Max Bank and Trevira Neckelmann.

Cash flows from financing activities amount to DKK 167.7 m (H1 2008 198.0 m), which brings the liquid holdings to DKK 123.1 m as at June 30th 2009.

H1 Nordicom Ejendom

Amounts in DKK thousands	Denmark		Germany		Sweden		Ejendom total	
	2009	2008	2009	2008	2009	2008	2009	2008
Turnover	105.1	87.7	6.2	4.7	14.3	15.3	125.6	107.7
Gross profit	87.5	70.6	2.9	3.7	11.1	12.3	101.5	86.6
Valuation adjustments	-100.2	59.5	-4.9	4.5	-	4.0	-105.1	68.0
Profit from primary operations	-32.1	115.1	-3.0	7.6	9.3	12.3	-25.8	135.0
Total assets	3,702.9	3,030.1	179.4	137.0	333.0	382.2	4,215.3	3,549.3

Rental income in Nordicom Ejendom increased by DKK 17.9 m to a total of DKK 125.6 m compared with the same period last year.

This increased turnover is partly due to higher rental income and partly due to increased holdings of completed investment properties, which amount to DKK 3,897.7 m as at June 30th 2009 (June 30th 2008: 3,086.6 m).

Gross profit for Nordicom Ejendom amounts to DKK 101.5 m (H1 2008: DKK 86.6 m), which corresponds to an increase of DKK 14.9 m (17.2 %).

Profit from primary operations amounts to DKK -25.8 m and is due to negative fair value adjustments in 2009.

Activities in Denmark

The net profit for primary operations of properties in Denmark comprises DKK -32.5 m (H1 2008: DKK 115.1 m). This decrease is due to fair value adjustments in H1 2009 which amount to DKK -79.4 m in H1 2009, compared to DKK 59.5 m for H1 2008.

Even though the vacancy rates for office space are expected to rise in the remainder of 2009, we do not foresee a dramatic impact on office rental prices, as new construction has decreased significantly. As far as retail space is concerned, we expect prices to stabilize at the lower current levels. At the moment we are generally seeing longer contract negotiation periods than previously. However, rental prices seem to have stabilized at a slightly lower level compared to 2008.

In H1 2009 the following four properties were sold for DKK 19.4 m, yielding a loss of DKK 10.4 m:

- Åkirkebyvej 50, 3700 Rønne
- Murergade 5, 3000 Helsingør
- Torvet 1, 3720 Åkirkeby
- Jernbanegade 8, 3720 Åkirkeby

Three of the respective properties have been sold with the aim of reducing Nordicom's presence on Bornholm. In the longer term we expect to sell the remaining properties on Bornholm.

No properties were purchased in Denmark in H1 2009.

Activities in Sweden

The net profit for primary operations of properties in Sweden comprises DKK 9,3 m (H1 2008: DKK 12,3 m). This decrease is due to the fact that unrealized valuation adjustments in H1 2009 have been recognized at DKK 0 m, compared to DKK 4.0 m for last year.

No properties were purchased or sold in Sweden in Q1 2009.

Activities in Germany

The net profit of primary operations of properties in Germany comprises DKK -3.0 m (H1 2008: DKK 7.6 m). This decrease is primarily due to lower unrealized valuation adjustments in Q1 2009 compared to last year.

In H1 2009 the following property was sold for DKK 14.9 m, yielding an accounting loss of DKK 1.6 m:

- Apothekestrasse 5-7, 21335 Lüneburg

No investment properties were purchased in Germany in Q1 2009.

H1 Nordicom Udvikling

Amounts in DKK thousands	Denmark		Germany		Sweden		Udvikling total	
	2009	2008	2009	2008	2009	2008	2009	2008
Turnover	13.8	214.1	-	2.2	-	-	13.8	216.3
Gross profit	-7.4	21.3	-1.9	2.0	-	-	-9.3	23.3
Valuation adjustments	-125.7	21.2	-	-	-	-	-125.7	21.2
Profit from primary operations	-145.2	30.3	-2.0	1.9	-	-	-147.2	32.2
Total assets	1,222.6	2,556.6	65.7	78.2	-	-	1,288.3	2,634.8

Net profit from primary operations in Nordicom Udvikling comprises DKK -147.2 m (H1 2008: DKK 32.2 m), corresponding to a decrease of DKK 179.4 m. This decrease is due to fewer development projects being delivered in 2009 compared to 2008, write-downs on a series of development projects due to adverse market conditions, lack of financing, and implementation of the new strategy.

In Q2 2009 two projects were completed: Max Bank in Næstved and Trevira Neckelmann in Silkeborg. The projects' value creation of DKK 8.1 m has been recognized under the item "value creation by project development for own portfolio". As at June 30th two construction projects are ongoing: a new office for Nykredit located in Ro's Have in Roskilde and a new Føtex supermarket located by Næstved harbour. In Germany, the construction of 49 new apartments as part of the "Eidelstedter Brook" project is currently underway.

Nordicom's change in strategy, which means that, in the future, the company will get less involved in "green field" development and downsize its activities in the areas of low-energy homes and parking, has gradually been implemented over the course of H1 2009. The difficult conditions in the developers' market - more specifically, difficult access to finance and a distinct lack of users/customers - implementation of the strategy has meant a write-down of the value of the project portfolio of a total of DKK 133.8 m.

Over recent years, Nordicom has invested in several plots of land with the aim of constructing low-energy buildings. However, the market for new homes is in a very bad state and we are currently pursuing plans to sell the plots of land and thereby free up cash for other purposes. Due to current market conditions, this cannot be achieved at current book values, which has led to write-downs on some of the plots of land.

Similarly, Nordicom has invested in several plots of land and buildings in the old industrial areas at and near Næstved Harbour. The bases for these investments were the opportunities the new local planning bill paved the way for - as the plan was for these areas to become part of the town centre, featuring attractive opportunities for office and retail construction. Nordicom drew up a master plan which included the construction of a new domicile for Max Bank of 5,500 m² and a new Føtex supermarket with an area of 3,700 m². Max Bank's domicile was delivered at the end of H1 2009 and the construction of the new supermarket has begun and delivery is expected in April 2010.

Due to current market conditions, several of the original projects have been brought to a standstill. The total scope of the project in Næstved has been reduced, and part of the previously incurred costs for the purchase of properties, demolition, and architect fees etc. has been written down. The remaining development projects in Næstved include the potential to establish a cinema project at Toldbodgade 14, right of use to build on approximately 2,100 m² at Femøvej 3, conversion of an older, larger commercial property at Blegdammen 7-13 into shops and restaurants, renovation of an existing office building at Omøvej 2-26, and conversion of a commercial building worthy of preservation at Vordingborgvej 78-82 into shops.

In Tåstrup, Nordicom has re-evaluated a planned development project to construct a retail centre linked to Tåstrup Stationscenter, and concluded that, given the current market conditions, it is no longer profitable to proceed with the project. The District of Tåstrup has therefore agreed to pay back the money previously deposited by Nordicom.

The company's three plots of land at Strandvej, Sluseholmen and Enghave Brygge have been recognized at the same written-down value of approximately DKK 800 m, as was the case at December 31st 2008. This amount corresponds to an average of DKK 4,200 per expected right-to-build square-meter.

Expectations for the future

The current economic situation in general and, more specifically, in terms of the property market means that forecasting developments for H2 remains difficult.

The most significant factors impacting on the profit for the year, apart from fair value adjustments, are the company's rental income, the corresponding operational costs, the company's administrative costs and financial costs.

Taking the realized profit in H1 as a point of departure, expectations for the result before tax and valuation adjustments are based on the following assumptions:

- Renewal of the company's loan agreements, which are expected to be completed in the month of September, will be at more competitive terms than the present ones
- The staff reductions carried out will have full effect in H2 2009
- The vacancy rates of properties will not increase in H2 2009

On the basis of the above assumptions we expect a net profit before tax and valuation adjustments of DKK -40 to -50 m for the accounting year of 2009, which is towards the lower end of the interval previously announced.

Uncertainty in recognition and valuation

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 valuation principles are the same as used in the annual report for 2008. Just like last year external valuations will be made for the most significant properties at year end 2009 in order to substantiate the values.

The required yields have a significant impact on Nordicom's profit and owner's equity. The sensitivity following changes to the required yields means that a change in the required yields of 0.25% would change the investment properties' market value by approx. DKK 150 m.

Events after the balance sheet date

Since the balance sheet date, Nordicom has sold the following properties:

- Rantzausgade 22-24, København N (residential property)
- Københavnsvej 45-47, Roskilde (ongoing development project near Ro's Have including construction of new domicile for Nykredit)
- Grapengiesserstrasse 2, Lüneburg (retail property)

The properties have been sold for a total of DKK 117.7 m and have given rise to an accounting loss of DKK 6 m and a positive liquidity of DKK 34.5 m after completion of ongoing construction and redemption of debt in the properties.

In July, Nordicom converted DKK 800 m of mortgage debt with a one-year adjustable rate into approx. DKK 600 m with a two-year adjustable rate (average interest rate of 2.4% excluding fees), and approx DKK 200 m with a three-year adjustable rate (average interest rate of 2.7% excluding fees). The conversion has been carried out with the aim of reducing the company's interest risk and taking advantage of the current low level of interest rates.

Apart from the above, 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

		YTD 2009	YTD 2008	Q2 2009	Q2 2008
Note Amounts in DKK thousands					
	Rental income	134.129	126.019	66.500	63.394
	Sales of project holdings and trade properties	3.995	195.382	3.995	129.693
	Interest income, mortgage/debt deeds and guarantees	2.473	2.618	972	1.301
	Operating expenses, investment properties	-26.956	-28.247	-10.884	-16.606
	Operating expenses, project holdings	-20.444	-185.923	-2.134	-123.532
	Gross profit	93.197	109.849	58.449	54.250
	Personnel costs	-23.385	-19.472	-10.769	-9.250
	Other external expenses	-15.551	-12.045	-9.023	-6.225
	Net profit of associated companies and J.V.	0	-1.571	0	-1.571
	Depreciation	-2.347	-1.617	-1.368	-767
	Profit before valuation adjustments	51.914	75.144	37.289	36.437
	Value creation from project development for own holdings	8.115	21.197	8.115	15.883
4	Adjustments to fair value, net	-93.097	52.695	-76.908	27.066
	Write-downs of investment properties under development	-133.778	0	-126.224	0
5	Realized profits from sales of investment properties	-12.033	15.347	-12.608	15.347
	Operating profit	-178.879	164.383	-170.336	94.733
	Financial income	3.066	3.969	2.509	2.136
	Financial expenses	-108.919	-83.939	-55.273	-41.267
	Profit before tax	-284.732	84.413	-223.100	55.602
6	Tax on profit	73.050	-22.554	57.647	-15.241
	Net profit	-211.682	61.859	-165.453	40.361
	Distribution of profits for the period				
	Parent company's shareholders	-211.283	61.571	-165.152	40.213
	Minority interests	-399	288	-301	148
		-211.682	61.859	-165.453	40.361
7	Earnings per share	-71,37	20,42	-55,79	13,51
7	Diluted earnings per share	-71,37	20,33	-55,79	13,46

Statement of comprehensive income

Note	YTD 2009	YTD 2008	Q2 2009	Q2 2008
Amounts in DKK thousands				
Net profit for the period	-211.682	61.859	-165.453	40.361
Foreign exchange adjustments relating to foreign companies	993	-665	964	-941
Valuation adjustments of hedging instruments	-550	0	2.099	0
Tax of valuation adjustments of hedging instruments	145	0	-552	0
Total income for the period	-211.094	61.194	-162.942	39.420
Distribution of total income for the period				
Parent company's shareholders	-210.695	60.906	-162.641	39.272
Minority interests	-399	288	-301	148
	-211.094	61.194	-162.942	39.420

Statement of financial position

Note Amounts in DKK thousands

	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>31.12.2008</u>
ASSETS			
Long-term assets			
Intangible assets			
8 Software	3.403	0	3.404
	<u>3.403</u>	<u>0</u>	<u>3.404</u>
Tangible assets			
9 Domicile properties	62.867	62.955	62.981
10 Completed investment properties	3.897.712	3.086.585	3.867.786
10 Investment properties under development	1.116.912	2.031.537	1.370.141
11 Fixtures and operational equipment	3.715	8.512	6.111
	<u>5.081.206</u>	<u>5.189.589</u>	<u>5.307.019</u>
Financial assets			
Participating interests in associated companies and joint ventures	0	1.713	513
Deferred tax assets	6.569	0	6.383
Receivables with associated companies and joint ventures	0	24.500	0
Other receivables	12.330	34.819	11.913
	<u>18.899</u>	<u>61.032</u>	<u>18.809</u>
Total long-term assets	<u>5.103.508</u>	<u>5.250.621</u>	<u>5.329.232</u>
Short-term assets			
Project portfolios	<u>51.717</u>	<u>400.357</u>	<u>57.420</u>
Receivables	73.999	68.325	56.272
Corporation tax	0	7.849	0
Receivables from associated companies and joint ventures	0	25.321	26.381
Accrued income and deferred expenses	9.008	7.170	10.091
	<u>83.007</u>	<u>108.665</u>	<u>92.744</u>
Mortgage deeds and debt instruments	<u>50.824</u>	<u>72.467</u>	<u>70.199</u>
Liquid holdings	<u>123.082</u>	<u>234.675</u>	<u>75.730</u>
Assets held for sale	<u>106.692</u>	<u>0</u>	<u>0</u>
Total short-term assets	<u>415.322</u>	<u>816.164</u>	<u>296.093</u>
Total assets	<u>5.518.830</u>	<u>6.066.785</u>	<u>5.625.325</u>

Statement of financial position

Note Amounts in DKK thousands

	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>31.12.2008</u>
LIABILITIES			
Owner's equity			
Share capital	312.786	312.786	312.786
Reserve for hedging transactions	-8.758	0	-8.353
Reserve for currency rate adjustments	-15.456	-2.067	-16.449
Reserve for net revaluation of investment properties	0	807.087	0
Retained earnings	543.554	222.271	754.692
Equity of the parent company's shareholders	832.126	1.340.077	1.042.676
Equity of minority interests	90	751	489
12-14 Total equity	832.216	1.340.828	1.043.165
Debt liabilities			
Long-term liabilities			
Deferred tax liabilities	272.147	424.509	342.849
Provisioned liabilities	12.330	34.819	9.408
Credit institutions	2.356.768	2.721.263	2.065.558
Outstanding amounts due from purchase of properties	29.802	0	29.802
Deposits	37.213	35.024	31.886
	2.708.260	3.215.615	2.479.503
Short-term liabilities			
Provisioned liabilities	19.195	14.074	30.849
Credit institutions	1.706.629	1.355.002	1.879.691
Costs payable on sold projects	5.692	11.031	11.096
Outstanding amounts on properties purchased	32.694	31.035	18.667
Trade creditors	36.605	43.462	57.272
Corporation tax	11.506	0	13.910
Deposits	20.393	20.286	20.768
Other liabilities	84.752	35.452	70.404
Liabilities associated with assets held for sale	60.888		
	1.978.354	1.510.342	2.102.657
Total debt liabilities	4.686.614	4.725.957	4.582.160
Total liabilities	5.518.830	6.066.785	5.625.325

Statement of changes in equity

Amounts in DKK thousands

	Share capital	Reserves for hedging transactions	Reserves for exchange rate adjustments	Reserves for investment property net revaluations	Reserves for revaluations by the equity method	Retained earnings	Proposed dividend	Equity, parent company's shareholders	Equity, minority interests	Total owner's equity
Equity as at January 1st 2008	312.786	0	-1.402	753.314	526	276.763	43.790	1.385.777	463	1.386.240
Equity movements for the period										
Total income	0	0	-665	53.773	-526	8.324	0	60.906	288	61.194
Recognition of share-based remuneration	0	0	0	0	0	477	0	477	0	477
Tax effect of share-based remuneration	0	0	0	0	0	-119	0	-119	0	-119
Dividend paid	0	0	0	0	0	0	-41.664	-41.664	0	-41.664
Dividend from own shares	0	0	0	0	0	2.126	-2.126	0	0	0
Purchase of own shares	0	0	0	0	0	-65.300	0	-65.300	0	-65.300
Total equity movements in 2008	0	0	-665	53.773	-526	-54.492	-43.790	-45.700	288	-45.412
Equity as at June 30th 2008	312.786	0	-2.067	807.087	0	222.271	0	1.340.077	751	1.340.828
Equity as at January 1st 2009	312.786	-8.353	-16.449	0	0	754.692	0	1.042.676	489	1.043.165
Equity movements for the period										
Total income	0	-405	993	0	0	-211.283	0	-210.695	-399	-211.094
Recognition of share-based remuneration	0	0	0	0	0	184	0	184	0	184
Tax effect of share-based remuneration	0	0	0	0	0	-46	0	-46	0	-46
Other adjustments	0	0	0	0	0	7	0	7	0	7
Total equity movements in 2009	0	-405	993	0	0	-211.138	0	-210.550	-399	-210.949
Equity as at June 30th 2009	312.786	-8.758	-15.456	0	0	543.554	0	832.126	90	832.216

Statement of cash flows

Note	Amounts in DKK thousands	YTD 2009	YTD 2008	Q2 2009	Q2 2008
	Operating profit (EBIT)	-178.879	164.383	-170.336	94.733
14	Adjustment of non-liquid operating items, etc.	229.887	-85.470	205.635	-56.386
	Change in projects holdings, net	27.669	7.854	9.750	1.065
15	Changes in other working capital	-12.194	-63.665	-11.980	-31.129
	Cash flow from primary activities	66.483	23.102	33.069	8.283
	Financial income, received	3.066	3.969	2.509	2.136
	Financial expenses, paid	-128.186	-119.457	-62.696	-41.267
	Corporation tax paid/received	-100	-2.388	-45	0
	Total cash flow from operating activities	-58.737	-94.774	-27.163	-30.848
	Cash flow from investing activities				
	Purchase of intangible assets	-791	0	-479	0
	Completed investment and domicile properties, purchase	-35.256	-193.138	-15.579	-28.596
	Completed investment and domicile properties, sales	31.649	113.850	21.699	113.850
	Development costs on investment properties	-58.162	-268.093	-24.437	-146.611
	Purchase of other tangible assets	-89	-2.011	-82	-990
	Sale of other tangible assets	1.064	670	740	670
16	Purchase of subsidiaries and activities	-67	0	0	0
	Total cash flow from investing activities	-61.652	-348.722	-18.138	-61.677
	Cash flow from financing activities				
	Proceeds from loans with credit institutions	324.564	634.000	143.222	367.383
	Instalments and redemption of loans with credit institutions	-156.910	-329.004	-92.779	-106.410
	Dividend paid	0	-43.790	0	-43.790
	Dividend from own shares	0	2.126	0	2.126
	Purchase of own shares	0	-65.300	0	0
	Total cash flow from financing activities	167.654	198.032	50.443	219.309
	Total cash flow for the period	47.265	-245.464	5.142	126.784
	Liquid holdings as at January 1st	75.730	480.229	117.855	108.192
	Price adjustment of liquid holdings	87	-90	85	-301
	Liquid holdings as at June 30th	123.082	234.675	123.082	234.675

Bank deposits for later release constitute per. 30. June 2009 DKK 99.5 m (30 June 2008: DKK 189.7 m) out of cash at DKK 123.1 m Deposits are continuously released when final deed for the property is available.

Noter

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, apart from the changes mentioned below, unchanged compared to the applied accounting policies in the company's annual report for 2008, which was presented in conformity with the International Financial Reporting Standards (IFRS) and approved by the EU. Please see the annual report for 2008 for a more detailed description of the applied accounting policies.

The following new and changed standards and interpretive guidance are effective for the accounting year of 2009:

- IAS 1 – "Presentation of Financial Statements (revised)" has become effective for accounting years starting January 1st 2009 or later. In the standard, the terminology is changed, so that the balance sheet changes to "statement of financial position", the equity statement changes to "statement of equity" and the cash flow statement changes to "statement of cash flows". In addition to this, a requirement for presentation of the group's total income will become effective, plus presentation of two years' comparative figures when changing accounting standards.
- IAS 23 – "Borrowing costs (revised)" has become effective for accounting years starting January 1st 2009 or later. After the change of this standard, the recognition of borrowing costs in the cost price of a qualifying asset (intangible, tangible and inventories) will become a requirement. As Nordicom already recognizes borrowing costs for construction of the company's properties, this new accounting standard will not change the company's current accounting policy.
- IAS 32 – "Financial Instruments: presentation (revised)" has become effective for accounting years starting January 1st 2009 or later. The revised standard means that certain financial instruments, under certain circumstances, must be classified as owner's equity, even though they fulfil the criteria for a liability. The change is not expected to affect the accounting policies of the company.
- IFRS 2 – "Share Based Payments (revised)" has become effective for accounting years starting January 1st 2009 or later. In the revised standard, the division of conditions for exercise of allotted stock options is changed. In the future, the conditions will be divided into 'vesting' and 'non-vesting', whereby non-vesting conditions must be included when calculating the fair value, and do not affect the number of instruments. In contrast, the current standard distinguishes between service, presentation and market-related conditions. The change is not expected to affect the accounting policies of the company.

Noter

- IFRS 7 – “Financial instruments disclosures (revised)” has become effective for accounting years starting January 1st 2009 or later. The revised standard means further disclosure requirements relating to financial instruments’ fair value. The change has not affected recognition and measurement of Nordicom’s financial instruments, but means further disclosures in the notes.
- IFRS 8 – “Operating Segments” will become effective for accounting years starting January 1st 2009 or later. This standard requires that business segments are identified on the basis of the company’s internal management reporting, where IAS 14 required a division into business segments and geographical segments. In addition to this, the standard contains further disclosure requirements for identified segments in relation to IAS 14, which will be replaced by the standard. The new standard has meant that the previous business segments of “Nordicom Ejendom”, “Nordicom Udvikling” and “Nordicom Finans” in the interim report will be reduced to required disclosure segments which will be presented for Denmark, Sweden and Germany. Comparison figures have been adjusted.
- FRIC 13 – “Customer Loyalty Programs” have become effective for accounting years starting July 1st 2008 or later. The interpretive guidance specifies that benefits allotted to the client as part of the transaction must be recognized separately. The benefits must be measured at sales value. The interpretive guidance will not change Nordicom’s accounting policies.
- IFRIC 15 – “Agreements for the Construction of Real Estate” has become effective for accounting years starting January 1st 2009 or later. The interpretive guidance specifies whether agreements of real estate construction should be treated according to IAS 18 (sales method) or IAS 11 (production method). As Nordicom already follows the rules of the interpretive guidance, this will not affect our accounting policies.
- IFRIC 16 – Hedges of a net Investment in a Foreign Operation has become effective for accounting years starting October 1st 2008 or later. The interpretive guidance specifies which foreign currency exposure can be hedged in accounting terms, and which company needs to enter the hedging contract in order to make it a hedge. The interpretive guidance will not affect Nordicom’s accounting policies, as foreign exchange risk concerning foreign subsidiaries is not hedged.
- “Improvements to International Financial Reporting Standards 2008” has become effective for accounting years starting January 1st 2009 or later. This standard contains a number of changes to existing standards, of which the most important for Nordicom relates to IAS 40 “Investment Property”. The change means that investment properties under development shall be measured at fair value in the development period, if it is possible to calculate the fair value. Previously, investment properties under development were measured at cost price under IAS 16. For Nordicom, the changed accounting policy has not affected the current interim report, but the change in measurement is expected to affect net profit going forward in terms of developing investment properties where binding rental agreements have been entered into. The standard will be implemented going forward so no figures for comparison have been adjusted.

Noter

Reclassifications

Compared to the annual report for 2008, a reclassification of value adjustments has been carried out in the income statement.

Previously the items "Value creation by project development for own portfolio", "Fair value adjustment, net", "Write-downs of investment properties under development" and "Realized profit from sale of investment properties" were all part of the gross profit. With the aim of emphasizing the underlying operations of the company's properties these items are now separate. The changed classification is in accordance with the Best Practices Policy Recommendations issued by European Public Real Estate association (EPRA).

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
- Impairment test of investment properties under development
- Classification of properties
- Calculation of fair value of mortgage deeds
- Calculation of deferred tax assets

The most important estimates the management carries out in applying the Group's accounting policies, and the most important uncertainties relating to these, are the same as are presented in the annual report for 2008. Please see the 2008 annual report for a more detailed description of these.

Notes

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, Sweden and Germany.

Amounts not distributed relate to the holding activities of the parent company, including elimination of inter-company transactions and balances.

Notes

Segment information for 2009

Amounts in DKK thousands

	Denmark		Sweden		Germany		Holding etc	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Rental income	102.637	9.812	14.270	0	6.223	5	1.182	134.129
Sales of project holdings and trade properties	0	3.995	0	0	0	0	0	3.995
Interest income, mortgage/debt deeds and guarantees	2.473	0	0	0	0	0	0	2.473
Operating expenses, investment properties	-17.612	-2.549	-3.179	0	-3.341	-53	-222	-26.956
Operating expenses, project holdings	0	-18.610	0	0	0	-1.834	0	-20.444
Gross profit	87.498	-7.352	11.091	0	2.882	-1.882	960	93.197
Personnel costs	-11.227	-7.377	-1.173	0	-484	0	-3.124	-23.385
Other external expenses	-7.214	-4.326	-631	0	-490	-113	-2.777	-15.551
Depreciation	-893	-494	-21	0	0	0	-939	-2.347
Profit before valuation adjustments	68.164	-19.549	9.266	0	1.908	-1.995	-5.880	51.914
Value creation from project development for own holdings	0	8.115	0	0	0	0	0	8.115
Net adjustments to fair value	-89.846	0	0	0	-3.251	0	0	-93.097
Write-downs of projects	0	-133.778	0	0	0	0	0	-133.778
Realized profits from sales of inv. properties	-10.421	0	0	0	-1.612	0	0	-12.033
Operating profit	-32.103	-145.212	9.266	0	-2.955	-1.995	-5.880	-178.879
Financial income	2.405	517	59	0	19	7	59	3.066
Financial expenses	-80.607	-11.627	-6.023	0	-4.479	-164	-6.019	-108.919
Profit before tax	-110.305	-156.322	3.302	0	-7.415	-2.152	-11.840	-284.732
Tax on profit	27.576	39.081	-826	0	1.804	538	4.877	73.050
Net profit	-82.729	-117.242	2.477	0	-5.611	-1.614	-6.963	-211.682
Long-term assets	3.508.694	1.068.915	318.550	0	140.670	59.898	6.781	5.103.508
Short-term assets	194.243	153.676	14.433	0	38.705	5.787	8.478	415.322
Total assets	3.702.937	1.222.591	332.983	0	179.375	65.685	15.259	5.518.830
Total liabilities	2.837.674	1.112.478	262.226	0	177.645	68.512	228.080	4.686.614

Notes

Amounts in DKK thousands

	Denmark		Sweden		Germany		Holding etc	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Operating profit (EBIT)	-32.103	-145.212	9.266	0	-2.955	-1.995	-5.880	-178.879
Adjustment of non-liquid operating items, etc.	101.160	126.157	21	0	4.863	0	-2.314	229.887
Change in projects holdings, net	0	27.669	0	0	0	0	0	27.669
Changes in other working capital	0	0	0	0	0	0	-12.194	-12.194
Cash flow from primary activities	69.057	8.614	9.287	0	1.908	-1.995	-20.388	66.483
Financial income, received	2.405	517	59	0	19	7	59	3.066
Financial expenses, paid	-80.607	-29.794	-6.023	0	-4.479	-1.264	-6.019	-128.186
Corporation tax paid/received	0	0	0	0	-50	0	-50	-100
Total cash flow from operating activities	-9.145	-20.663	3.323	0	-2.602	-3.252	-26.398	-58.737
Total cash flow from investing activities	-11.588	-38.053	-895	0	8.874	-20.109	119	-61.652
Total cash flow from financing activities	76.407	102.845	899	0	-4.272	28.598	-36.823	167.654
Total cash flow for the period	55.674	44.129	3.327	0	2.000	5.237	-63.102	47.265
Liquid holdings as at January 1st	16.450	42.262	9.284	0	2.893	550	4.291	75.730
Price adjustment of liquid holdings	0	0	89	0	-2	0	0	87
Liquid holdings as at June 30th	72.124	86.391	12.700	0	4.891	5.787	-58.811	123.082

Notes

Amounts in DKK thousands

	Denmark		Sweden		Germany		Holding etc	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Rental income	85.100	18.754	15.341	0	4.652	2.172	0	126.019
Sales of project holdings and trade properties	0	195.382	0	0	0	0	0	195.382
Interest income, mortgage/debt deeds and guarantees	2.618	0	0	0	0	0	0	2.618
Operating expenses, investment properties	-17.090	-6.943	-3.054	0	-981	-179	0	-28.247
Operating expenses, project holdings	0	-185.923	0	0	0	0	0	-185.923
Gross profit	70.628	21.270	12.287	0	3.671	1.993	0	109.849
Personnel costs	-9.309	-5.399	-2.639	0	0	0	-2.125	-19.472
Other external costs	-5.719	-5.168	-1.338	0	-528	-60	768	-12.045
Net profit from associated companies and J.V.	0	-1.571	0	0	0	0	0	-1.571
Value creation from project dev. for own holdings	-13	-55	-18	0	0	0	-1.531	-1.617
Profit before valuation adjustments	55.587	9.077	8.292	0	3.143	1.933	-2.888	75.144
Value creation from project development for own holdings	0	21.197	0	0	0	0	0	21.197
Net adjustments to fair value	44.195	0	4.000	0	4.500	0	0	52.695
Realized profits from sales of inv. properties	15.347	0	0	0	0	0	0	15.347
Operating profit	115.129	30.274	12.292	0	7.643	1.933	-2.888	164.383
Financial income	1.106	815	41	0	9	10	1.988	3.969
Financial expenses	-59.701	-12.034	-3.157	0	-2.013	-76	-6.958	-83.939
Profit before tax	56.534	19.055	9.176	0	5.639	1.867	-7.858	84.413
Tax on profit	-14.134	-4.764	-2.294	0	-1.410	-467	514	-22.554
Net profit	42.401	14.291	6.882	0	4.229	1.400	-7.344	61.859
Long-term assets	2.719.745	1.942.890	370.809	0	134.569	74.333	8.275	5.250.621
Short-term assets	310.358	613.726	11.351	0	2.417	3.857	-125.545	816.164
Total assets	3.030.103	2.556.616	382.160	0	136.986	78.190	-117.270	6.066.785
Total liabilities	2.223.127	2.218.726	278.896	0	201.701	1.179	-197.672	4.725.957

Notes

Amounts in DKK thousands

	Denmark		Sweden		Germany		Holding etc	Total
	Ejendom	Udvikling	Ejendom	Udvikling	Ejendom	Udvikling		
Operating profit (EBIT)	115.129	30.274	12.292	0	7.643	1.933	-2.888	164.383
Adjustment of non-liquid operating items, etc.	-59.529	-21.142	-3.982	0	-4.500	0	3.683	-85.470
Change in projects holdings, net	0	7.854	0	0	0	0	0	7.854
Changes in other working capital	0	0	0	0	0	0	-63.665	-63.665
Cash flow from primary activities	55.600	16.986	8.310	0	3.143	1.933	-62.870	23.102
Financial income, received	1.106	815	41	0	9	10	1.988	3.969
Financial expenses, paid	-59.701	-47.552	-3.157	0	-2.013	-76	-6.958	-119.457
Corporation tax paid/received	0	0	0	0	0	0	-2.388	-2.388
Total cash flow from operating activities	-2.995	-29.751	5.194	0	1.139	1.867	-70.228	-94.774
Total cash flow from investing activities	74.662	-199.961	-139.012	0	-14.999	-68.132	-1.280	-348.722
Total cash flow from financing activities	-364.363	308.452	100.975	0	11.075	69.954	71.939	198.032
Total cash flow for the period	-292.696	78.740	-32.843	0	-2.785	3.689	431	-245.464
Liquid holdings as at January 1st	362.325	60.259	42.354	0	4.711	30	10.550	480.229
Price adjustment of liquid holdings	0	0	-433	0	343	0	0	-90
Liquid holdings as at June 30th	69.629	138.999	9.078	0	2.269	3.719	10.981	234.675

Notes

4. Fair value adjustments, net

Amounts in DKK thousands	YTD 2009	YTD 2008	Q2 2009	Q2 2008
Fair value adjustments, completed investment properties	-60.579	50.500	-60.579	25.500
Fair value adjustments, debt owed to mortgage institutions	-11.382	3.519	2.505	1.971
Fair value adjustments, mortgage deeds	-21.136	-1.324	-18.834	-405
	-93.097	52.695	-76.908	27.066

5. Realized profit by sale of investment properties

Amounts in DKK thousands	YTD 2009	YTD 2008	Q2 2009	Q2 2008
Sales, investment and domicile properties	34.349	113.850	24.399	113.850
The properties' book value at time of sale	-46.382	-98.503	-37.007	-98.503
	-12.033	15.347	-12.608	15.347

6. Tax on profit for the period

Amounts in DKK thousands	YTD 2009	YTD 2008	Q2 2009	Q2 2008
Tax due on profit for the period	49	0	44	0
Tax due for previous years	-2.353	110	-2.353	0
Change in deferred tax for previous years	437	1.341	437	1.341
Change in deferred tax	-71.183	21.103	-55.775	13.900
	-73.050	22.554	-57.647	15.241

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 H1 2009. The estimated effective tax rate for 2009 is 25% (H1 2008: 25%).

In addition to tax on the profit for the period, a tax income of DKK thousands 99 has been recognized directly in the equity statement. This relates to share-based remuneration and valuation adjustments of hedging instruments.

Notes

7. Earnings per share

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

Amounts in DKK thousands	YTD 2009	YTD 2008	Q2 2009	Q2 2008
Net profit for the period	-211.283	61.571	-165.152	40.213
Impact on profit after tax if existing warrants are exercised etc.	0	0	0	0
Net profit used in calculating diluted net earnings per share	-211.283	61.571	-165.152	40.213
Average number of shares	3.127.858	3.127.858	3.127.858	3.127.858
Average number of own shares	-167.487	-112.438	-167.487	-151.861
Average number of shares in circulation	2.960.371	3.015.420	2.960.371	2.975.997
Outstanding stock options average dilution effect	0	13.254	0	11.827
Diluted average number of shares in circulation	2.960.371	3.028.674	2.960.371	2.987.824
Earnings per share (DKK)	-71,37	20,42	-55,79	13,51
Diluted earnings per share (DKK)	-71,37	20,33	-55,79	13,46

8. Software

Amounts in DKK thousands	YTD 2009	YTD 2008
Cost price as at January 1st	6.026	0
Additions	791	0
Cost price as at June 30th	6.817	0
Depreciations as at January 1st	-2.622	0
Depreciations for the period	-792	0
Depreciations as at June 30th	-3.414	0
Book value as at June 30th 2009	3.403	0

Notes

9. Domicile properties

Amounts in DKK thousands	YTD 2009	YTD 2008
Cost price as at January 1st	62.981	62.372
Additions	21	583
Sales	0	0
Cost price as at June 30th	63.002	62.955
Depreciation as at January 1st	0	0
Depreciation for the period	-135	0
Depreciations as at June 30th	-135	0
Book value as at June 30th 2009	62.867	62.955

10. Investment properties

Amounts in DKK thousands	Completed investment properties	Investment properties under development	Total
Book value as at January 1st 2008	3.018.890	1.686.377	4.705.267
Price adjustments	-766	0	-766
Transfer to/from project holdings	0	-20.222	-20.222
Transfer to/from investment properties under development	-76.092	76.092	0
Additions	192.556	268.093	460.649
Value creation from project development for own holdings	0	21.197	21.197
Net adjustments to fair value	50.500	0	50.500
Sales	-98.503	0	-98.503
Book value as at June 30th 2008	3.086.585	2.031.537	5.118.122
Regnskabsmæssig værdi pr. 1. januar 2009	3.867.786	1.370.141	5.237.927
Kursregulering	3.238	400	3.638
Transfer to/from investment properties under development	181.295	-181.295	0
Additions	35.235	77.021	112.256
Value creation from project development for own holdings	0	8.115	8.115
Net adjustments to fair value	-60.579	0	-60.579
Write downs	0	-133.778	-133.778
Sales	-46.263	0	-46.263
Reclassification to assets held for sale	-83.000	-23.692	-106.692
Book value as at June 30th 2009	3.897.712	1.116.912	5.014.624

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

Notes

Completed investment properties as at June 30th 2009:

Property	Post code	Town	Area m2	Property type
Denmark				
Langebrogade 5	1411	København K	4.990	Office
Tåsingegade 29	2100	København Ø	10.643	Home
Rantzausgade 22-24	2200	København N	3.541	Home
Amagerbanen 15/Amager Strandvej 20-26	2300	København S	3.980	Office
Englandsvej 51 m.fl.	2300	København S	2.818	Retail
Hejrevej 26-28, Ørnevej 33-35	2400	København NV	3.792	Office
Hejrevej 30	2400	København NV	10.760	Office
Hejrevej 8-10	2400	København NV	3.910	Office
Ørnevej 18, Svanevej 12	2400	København NV	8.251	Office
Sluseholmen (Lindholm)	2450	København SV	7.714	Home
Tåstrup Stationscenter	2630	Taastrup	26.024	Retail
Rebæk Søpark Butikcenter	2650	Hvidovre	11.364	Retail
Mosedet Centret	2670	Greve	1.705	Retail
Herlev Hovedgade 17	2730	Herlev	14.710	L&P
Ballerup Idrætsby Boliger	2750	Ballerup	448	Home
Høje Gladsaxe Centret	2860	Søborg	11.776	Retail
Skolesvinget 2	2860	Søborg	650	Retail
Vandtårnsvej 68	2860	Søborg	359	Retail
Rungsted Bytorv 2-9	2960	Rungsted Kyst	2.018	Home
Prøvestensvej 20	3000	Helsingør	830	Retail
Slangerupgade 48 D	3400	Hillerød	1.182	Retail
Allerød Vestcenter	3450	Allerød	1.626	Other
Banetorvet 3	3450	Allerød	1.404	Other
Zahrtmannsvej 78	3700	Rønne	928	Retail
Åkirkebyvej 50	3700	Rønne	5.000	Retail
Algade 13, Roskilde hotel Prindsen	4000	Roskilde	5.938	Other
Hersegade 23, Jernbaneg. 6 A + B	4000	Roskilde	1.044	Retail
Møllehusene 1-3, Roskilde	4000	Roskilde	462	Home
Ro's Have 11	4000	Roskilde	3.011	Retail
Ro's Have 13	4000	Roskilde	160	Retail
Ro's Have 14 og 16	4000	Roskilde	1.100	Retail
Ro's Have 8, 10, 12, 18	4000	Roskilde	1.100	Retail
Københavnsvej 43	4000	Roskilde	120	Home
Nørregade 27 A	4100	Ringsted	344	Retail
Sct. Bendtsvej 10	4100	Ringsted	1.425	Home
Ringsted Centret	4100	Ringsted	9.476	Retail
Nørregade 21	4100	Ringsted	632	Retail
Nørregade 31-33	4100	Ringsted	410	Retail
Schweizerpladsen 5	4200	Slagelse	540	Retail
Schweizerpladsen 1 A	4200	Slagelse	977	Office
Schweizerpladsen 1B	4200	Slagelse	419	Retail
Løvegade 6	4200	Slagelse	908	Home
Schweizerpladsen 1B, 2.tv.	4200	Slagelse	819	Home
Schweizerpladsen 3	4200	Slagelse	175	Home
Frederiksgade 1	4200	Slagelse	130	Retail
L.C. Worsøesvej 2	4300	Holbæk	3.063	Retail
Dyssegårdscetret	4700	Næstved	2.391	Retail
Vadestedet 6	4700	Næstved	460	Office
Hotel Vinhuset	4700	Næstved	3.400	Other
Toldbuen	4700	Næstved	1.950	Office

Notes

Femøvej 3	4700	Næstved	7.000	Office
Middelfartvej 1	5000	Odense C	3.259	Home
Dannebrogsgade 2	5000	Odense C	37.861	Office
Svendborgvej 275	5260	Odense S	2.000	Retail
Møllergade 1	5700	Svendborg	1.051	Retail
Vilhelmskildevvej 1 C	5700	Svendborg	2.573	Office
Jernbanegade 33-35	6000	Kolding	2.590	Home
Helligkorsgade 1, Naverstræde 3	6000	Kolding	1.304	Retail
Birkemose Allé 23-35	6000	Kolding	6.522	Office
Birkemosevej 9	6000	Kolding	743	Office
Albuen 19	6000	Kolding	3.062	Retail
Fuglsang Allé 4	7000	Fredericia	1.000	Retail
Dæmningen 34	7100	Vejle	3.993	Office
Sjællandsgade 12,16,18	7100	Vejle	10.817	Retail
Silkeborgvej 102	7400	Herning	4.841	Retail
Engdahlsvej 2 A-B	7400	Herning	1.917	Retail
Østergade 30 / Søndergade 2B	7600	Struer	978	Office
Axel Kiers Vej 13	8270	Højbjerg	9.188	L&P
Kejlstrupvej 84	8600	Silkeborg	4.500	Office
Kejlstrupvej 84	8600	Silkeborg	43.000	L&P
Århusvej 119-121, Ulrikkasvej 1	8900	Randers	907	Retail
Center Syd	9200	Aalborg SV	2.887	Retail
Loftbrovej 17	9400	Nørresundby	13.092	Retail
			345.960	
Sweden				
Finnslätten 2	72136	Västerås	5.945	Office
Fläkten 11	35241	Växjö	13.500	Office
Galgen 3	58273	Linköping	4.080	Retail
Glasblåsaren 7	58273	Linköping	10.759	Office
Kopparn 10	60223	Norrköping	6.825	Retail
Regulatorn 3	60223	Norrköping	5.000	L&P
Magnetjärnet 6	58278	Linköping	2.268	Office
			48.377	
Germany				
Lippeltstrasse 1	20097	Hamburg	8.100	Office
Vogteistrasse 3, 5, 7	21079	Hamburg	1.089	Home
In de Krümm 36	21147	Hamburg	1.819	Home
Grapengiesserstrasse 2	21335	Lüneburg	1.841	Retail
Grapengiesserstrasse 16	21335	Lüneburg	1.235	Office
Am Sande 12	21335	Lüneburg	1.195	Home
Dithmarshcerstrasse 1-13 / Krausesstr. 77,79	22049	Hamburg	4.229	Home
			19.508	
			413.845	

Notes

11. Fixtures and operational equipment

Amounts in DKK thousands	YTD 2009	YTD 2008
Cost price as at January 1st	14.785	16.959
Foreign exchange adjustment	2	-2
Additions	89	2.011
Sales	-2.475	-920
Cost price as at June 30th	12.401	18.048
Depreciation and impairment losses as at January 1st	-8.674	-8.229
Foreign exchange adjustment	-1	0
Depreciations opf the period	-895	-1.684
Reversed depreciations and write-downs at sale	884	377
Depreciations as at June 30th	-8.686	-9.536
Book value as at June 30th 2009	3.715	8.512

12. Share capital

Amounts in DKK thousands	YTD 2009	YTD 2008
Share capital as at January 1st	312.786	312.786
Share capital as at June 30th	312.786	312.786

The share capital consists of 3,127,858 shares of DKK 100.

No shares have special rights.

Notes

13. Own shares

	No. of shares	Nominal value	% of share capital
January 1st 2008	51.361	5.136	1,6%
Sold during the year	0	0	0,0%
Purchased during the year	100.500	10.050	3,2%
June 30th 2008	151.861	15.186	4,9%
January 1st 2009	167.487	16.749	5,5%
Sold during the year	0	0	0,0%
Purchased during the year	0	0	0,0%
June 30th 2009	167.487	16.749	5,5%

All own shares are owned by Nordicom A/S. The company can, according to the annual general meeting, acquire a maximum of 10% of the share capital until June 22nd 2010 at a price corresponding to the market price at the time of purchase, plus or minus 10%.

14. Non-liquid operational items etc.

Amounts in DKK thousands	YTD 2009	YTD 2008	Q2 2009	Q2 2008
Depreciations and write-downs	2.347	1.617	1.368	767
Valuation adjustments of investment properties etc.	218.760	-73.892	195.017	-42.949
Avance ved salg af ejendomme	12.033	-15.347	12.608	-15.347
Profit from ass. companies and joint ventures	0	1.571	0	1.571
Recognized share-based remuneration	138	477	0	239
Other adjustments	-3.391	104	-3.358	-667
Total adjustments	229.887	-85.470	205.635	-56.386

15. Changes in operating capital

Amounts in DKK thousands	YTD 2009	YTD 2008	Q2 2009	Q2 2008
Change in receivables	-17.061	-12.769	-16.393	-28.264
Change in trading holdings of mortgage deeds and letters of debt	939	669	473	208
Change in provisioned liabilities	-8.732	-9.413	6.870	1.279
Change in deposits	4.952	1.663	1.541	1.737
Change in other debt	7.708	-43.815	-4.471	-6.089
Total change in operating capital	-12.194	-63.665	-11.980	-31.129

Notes

16. Purchase of subsidiaries and activities

Amounts in DKK thousands	Fair value at time of acquisition	Book value before the acquisition
Project holdings	25.102	25.993
Receivables	1.978	1.978
Debt owed to associated companies	-26.381	-26.381
Other debt	-565	-565
Acquired net assets	134	1.025
Cash cost price for 50% of the company	67	

In H1 2009 Nordicom acquired the remaining 50% of K/S Køgevej 109-111 from the insolvent estate Centerplan A/S at a price of DKK 67,000.

The company included an ongoing development project to construct a shopping centre in connection with Tåstrup Stationscenter. Since the acquisition, Nordicom has re-evaluated the project and has concluded that, under current market conditions, it is no longer profitable to proceed with the project.

Abandoning the project has meant an accounting loss in K/S Køgevej, and the company is included in the net profit for the period as DKK thousands -12,520, from the period since the acquisition. The reimbursement of previously deposited cash has had a positive cash flow impact of approx. DKK 15 m in Q2 2009.

Net turnover and net profit for the group, stated pro forma as if the company were taken over January 1st 2009, do not deviate from the realized figures, as the company did not have any activities in the interim period.

17. 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:

Notes

Amounts in DKK thousands

Executive management

Nordicom's purchase of services from a law firm where the chairman of the board is a partner

YTD 2009	YTD 2008	Q2 2009	Q2 2008
761	21	11	21

Nordicom's purchase of services from a consultancy firm where the deputy chairman is member of the board

600	0	300	0
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Interest on loan from a company owned by a member of the board

53	0	53	0
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All transactions are based on market conditions.