

Press release from Landic Property:

Three Danish subsidiaries of Landic Property file for bankruptcy.

Reykjavík 15 June 2009: The Boards of Directors of Keops Development A/S, Landic Property A/S and Landic Investment A/S have filed for bankruptcy at the Copenhagen Maritime and Commercial court. None of Landic Property's companies in Denmark, Sweden and Iceland that specialise in leasing and operating Landic Property's commercial properties are included in the filing and will continue to operate. The company's tenants are not affected. The ongoing restructuring of the parent company Landic Property hf. and its other subsidiaries continues.

Landic Property has for the past two months been working on finalizing the sale of its non-Icelandic subsidiaries. Landic Property has completed the sale of its Finnish subsidiaries and is working on completing the sale of its other non-Icelandic operations, excluding Keops Development A/S, Landic Property A/S and Landic Investment A/S, as the restructuring of this part of the group's activities has not been successful.

Icelandic subsidiaries of Landic Property, that specialises in leasing and operating Landic Property's commercial properties in Iceland, are doing well and the financial restructuring of the parent company, Landic Property hf., continues in close co-operation with the company's creditors. As previously announced, Landic Property's equity is negative and the parent company's restructuring proposal aims to restore the equity and that the company's creditors will convert debt to equity in the company.

Vidar Thorkelsson, CEO of Landic Property:

"It is disappointing that we have not managed to save these Danish subsidiaries from bankruptcy. The sale process of other non-Icelandic subsidiaries continues, as well as the financial restructuring of the parent company. Landic Property will in the future focus on its Icelandic operations where its subsidiary Landic Iceland is the largest property company in Iceland with a portfolio of 120 properties totalling more than 400 square meters".

The following subsidiaries are not included in the filing for bankruptcy, but not limited to: Landic Property Denmark A/S (formerly Atlas), Landic Property Denmark II A/S (the Magasin/Illum properties) including its subsidiaries, Landic Property Bonds I A/S (SAS-portfolio), Landic Property Bonds VI (Sweden) A/S, Landic Property Bonds VII (Stockholm) A/S, Landic Property Bonds VIII (Sverige II) A/S, Landic InvestorService A/S, K/S Næstved kaserne, K/S Hillerød Port, Udviklingselskabet Light house, Landic InvestorService A/S, Landic Ísland ehf., Langastétt ehf., Landsafl ehf., Landic Property Ísland ehf., Austurstraeti 14 ehf., FS6 ehf., and Lif fasteignir ehf.

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