

Press release from Landic Property:

Landic Property hf. and some of its Danish subsidiaries enter temporary suspension of payments

- **The suspension of payments does not apply to the companies in Denmark, Sweden, Iceland and Finland that specialise in leasing and operating Landic Property's commercial properties**

Reykjavík, 16 April 2009: The Board of Directors of Landic Property hf. (parent company of Landic Property Group) has filed an application for a temporary suspension of payments at the District Court of Reykjavík. Furthermore, a number of Danish subsidiaries of Landic Property have filed for a temporary suspension of payments at the Copenhagen Maritime and Commercial court.

Operations of all of Landic Property's subsidiaries continue and the company's tenants in Iceland, Denmark, Sweden and Finland are not affected by the suspension of payment.

The filing for a temporary suspension of payments is being done to protect the interests of all creditors and stakeholders of Landic Property whilst the ongoing restructuring of Landic Property, including the sale of a majority stake in the company's activities in Denmark and Sweden, is completed.

In Iceland, the temporary suspension of payments only applies to the parent company, Landic Property hf. In Denmark, Landic Property A/S, Keops Development A/S, Landic Investment A/S, Keops Bolig A/S and a number of special purpose development companies (see a complete list on the company's website) have filed for temporary suspension of payments. Michael Ziegler of Plesner Law Firm is expected to be appointed as administrator to the Danish companies during the suspension of payments.

The suspension of payments does not apply to the companies in Denmark, Sweden, Iceland and Finland that specialise in leasing and operating Landic Property's commercial properties. Non-affected companies include, but are not limited to: Landic Property Denmark A/S (formerly Atlas), Landic Property Denmark II A/S (the Magasin/Illum properties), Landic Property Sverige AB, Landic Property Finland Oy, Landic Property Bonds I A/S (the so-called 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, Landic Ísland ehf., Langastétt ehf., Landsafl ehf., Landic Property Ísland ehf., Austurstraeti 14 ehf., FS6 ehf., and Líf fasteignir ehf.

For further information please contact:

Landic Property hf
Vidar Thorkelsson, CEO
Phone +354 575 9000
E-mail: vth@landicproperty.com

Landic Property A/S
Michael Sheikh
Phone: +45 33 78 40 00
E-mail: ms@landicproperty.com