

INTERIM REPORT FOR 1 JANUARY – 30 JUNE 2000

Sjælsø Gruppen A/S attained a very satisfactory result in the first half of 2000.

The board of directors of Sjælsø Gruppen A/S has today at the ordinary general meeting of the company approved the company's accounts for the interim period from 1 January to 30 June 2000.

The accounting reference period has been characterised by the following essential event:

- The hefty increase in Sjælsø Gruppen A/S' revenues continued in the first six months of 2000, when the company achieved an ordinary profit before tax of DKK 51.9 million compared with DKK 25.4 million in the first six months of 1999.
- The equity capital as at 30 June 2000 is DKK 251.7 million compared with DKK 191.5 million as at 30 June 1999.
- Return on equity is 31.6% per annum and earnings per share 17.0
- Sjælsø Gruppen A/S expects that the positive development in the level of activity will continue, and, as stated earlier, expects pre-tax profit for the year to be in the order of DKK 120 million.
- The company expects increased activities and higher revenues from year 2000 to year 2001 in the order of 20%.
- The continued growth and the high level of activity confirm the demand for the Sjælsø Group's concept in the market for commercial property. Through the many projects the Sjælsø Group has carried out for large international businesses, the Company has justified its position in the market and created a sound platform for future developments.

Sjælsø Gruppen A/S has, after 30.06.2000, increased its share capital by 960 shares in connection with the exercise of previously allotted warrants.

The Company has, after 30.06.2000, implemented another warrants programme, aimed especially at executive staff and the members of the board of directors.

Please see the enclosed interim report with financial highlights and key figures.

The company will present its interim report on Tuesday 29 August 2000 at 8.00 am at the Hotel SAS Royal Radisson, Hammerichsgade 1, DK-1611 Copenhagen K.

Allerød, 28 August 2000

SJÆLSØ GRUPPEN A/S

Jørn Meldgaard
Chairman of the
board of directors

Ib Henrik Rønje
Managing director
contact person
48100000

Flemming Jensen
Director

Jørgen Junker
Director

FINANCIAL HIGHLIGHTS AND KEY FIGURES FOR THE GROUP

	30.06.00	30.06.99
	DKK	DKK
	1,000	1,000
MAIN FIGURES		
Profit development		
Turnover	359,910	167,120
Gross profit	72,995	41,138
Ordinary profit before tax	51,881	25,383
Profit for the period	35,279	17,260
Balance sheet development		
Properties for resale, including land and projects in progress, own account	381,309	249,581
Projects in progress sold	130,206	59,125
Total project portfolio	511,515	308,706
Equity capital	251,745	191,497
Net interest-bearing debt 1)	230,893	28,274
Total balance	886,552	564,215
Key figures		
Group ratios		
Equity relative to non-sold projects in progress and real property for resale (target minimum 50%)	60.3%	71.5%
Equity relative to land (target minimum 100%)	274.1%	302.6%
Solvency ratio (target minimum 40%) 2)	56.5%	69.8%
Accounts-related key figures		
Gross profits as a percentage of turnover	20.3%	24.6%
Ordinary profit as a percentage of turnover (net profit ratio)	14.4%	15.2%
Return on equity per annum (ordinary profit/loss after tax) 3)	31.6%	18.9%
Net interest-bearing debt/equity	100.5%	15.8%
Share-related ratios 4)		
Stock exchange price at 30 June	252	148
Earnings per share	17.0	8.1
Cash flow per share	40.5	67.3
Net asset value per share	110.7	85.9
After utilisation of all issued warrants		
Profit per share (fully diluted)	16.6	7.9
Net asset value per share (fully diluted)	111.5	87.0

All key figures are adjusted for the value of own shares.

1) Includes interest-bearing debt less liquid funds and interest-bearing current assets.

2) Based on total assets less assets with a minimal risk (liquid funds and secured claims).

3) Calculated on the basis of the booked average equity capital adjusted for shares issued, dividend and own shares (%).

4) Share-related figures are calculated in accordance with “Recommendations and Ratios” published by Den Danske Finansanalytikerforening for 1997. The net asset value per share is calculated on the basis of the weighted average of shares issued.

DEVELOPMENT IN EQUITY CAPITAL FOR THE GROUP (DKK 1,000)

	<u>30.06.00</u>	<u>30.06.99</u>
Equity capital as at 1 January 2000	211,917	172,416
Revaluation of own shares to stock exchange price as at 30 June (price 252)	3,991	1,579
Increase of revaluation provisions, other securities	558	242
Profit for the half year	<u>35,279</u>	<u>17,260</u>
Group equity at 30 June 2000	<u>251,745</u>	<u>191,497</u>

NOTICES SINCE 01.01.2000:

No. 1	10 February	Sjælsø Gruppen builds for Motorola
No. 2	10 February	Time of publication of notice on the annual accounts
No. 3	1 March	Notice about the Annual Accounts of Sjælsø Gruppen A/S
No. 4	22 March	The Sjælsø Group builds 18,000 sqm. for Hennes & Mauritz
No. 5	6 April	Change in the management of the Sjælsø Group
No. 6	7 April	Annual General Meeting of Sjælsø Gruppen A/S
No. 7	21 June	The Sjælsø Group sells Ingram Micro property in Greve Main
No. 8	30 June	The Sjælsø Group sells Thrane & Thrane property to Danica & Nordania
No. 9	11 July	The Sjælsø Group in purchase of big site in Havnestad
No. 10	8 August	The Sjælsø Group builds new headquarters for World Online
No. 11	8 August	The Sjælsø Group adjusts expected profit from DKK 100 million to DKK 120 million
No. 12	16 August	The Sjælsø Group builds 9,650 sqm. headquarters for Belle Systems A/S close to Roskilde University
No. 13	16 August	Date of publication of interim report of the Sjælsø Group

See the full text of the notices on www.sjaelsoe.dk

Main activities of the Group:

The Group's main activities are still commercial property projects based on a total concept where turnkey facilities are provided to both lessee and investor. The Company's projects are increasing in terms of size and an increasing proportion of its "clients", i.e. its lessees and investors, are large, well-reputed businesses.

It is important to the Sjælsø Group to be a project-based development company and not just a firm of contractors or simply a property company.

Financial development:

Growth in profit exceeds the expectations expressed at the beginning of the year. The first six months of 2000 show a profit before tax of DKK 51.9 million and after tax of DKK 35.3 million. Compared with the first six months of 1999 where there was a profit before tax of DKK 25.4 million and after tax of DKK 17.3 million, this is an increase of 104.4% both before and after tax. The equity capital as at 30 June 2000 is DKK 251.7 million or an increase of DKK 60.2 million (31.5%) from 30 June 1999. Return on equity was 31.6% compared with 18.9% per annum the year before.

Projects:

As at 31 December 1999 all projects in progress are proceeding as planned whilst completed ones were handed over according to schedule and with the profit that was estimated.

Ongoing projects sold:

Lyngby, Thrane & Thrane A/S – 12,900 m² headquarters – KHR Arkitekter A/S
Copenhagen, World Online – 15,250 m² headquarters – Arkitektfirmaet 3 x Nielsen
Rødovre, Graphium A/S – 1,970 m² offices/storage room – BB Tegnestuen
Allerød, flerbrugere – 2,730 m² offices/storage room – Arkitektfirmaet Mogens Werlin
Greve, Hennes & Mauritz – 18,000 m² distribution centre – PLH Arkitekterne A/S

Ongoing projects:

Roskilde, Belle Systems A/S – 9,650 m² headquarters – Arkitektfirmaet Dissing & Weitling
Rødovre, Fjeldhammervej – 8,000 m² headquarters – Arkitektgruppen 3 D Arkitekter
Glostrup, Motorola A/S – 10,000 m² headquarters – Kieler Architects A/S
Nærum, A/S Dansk Shell and others – 10,000 m² offices – Arkitektgruppen 3 D Arkitekter
Ebeltoft, 31 housing units for the elderly + three shops – Arkitekt Per Seier-Petersen
Odense, 63 housing units + furniture shop – Lars Kapland Arkitekter

Selection of future office projects year 2001/2002

Copenhagen, Sundkrogsgade, Kalkbrænderihavnen – 5,000 m² offices.
Copenhagen, Kalkbrænderihavnsgade – 8,000 m² offices.
Copenhagen, Havnestad – 17,000 m² offices.
Copenhagen, Havnestad Syd – 40,000 m² offices.
Ballerup, Lautrupparken - 12,000 m² offices.
Lyngby, Lundtoftevej - 19,500 m² offices/light manufacturing.
Århus Nord, 6,000 m² offices.

Turnover and gross profit:

This year, contrary to previous years, there are signs that turnover is distributed more evenly over the year. This has resulted in very large growth in turnover compared with the first half of 1999. The increase is approx. 115%.

The Group is still focussing on revenues and the increase in revenues. For the first six months of 2000 gross profit amounted to 20.3% of turnover, which matches the targets set. The fact that this ratio was 24.6% for the corresponding period in 1999 indicates solely a shift in turnover and revenue patterns.

Solvency ratio:

The company's solvency ratio is measured relative to the development of the balance sheet items, primarily the project portfolio. The adjusted solvency ratio shows the ratio of the equity capital to unsold projects and property portfolios and other assets where there are no agreements on realisation on the balance sheet date. Secured assets (liquid assets and secured claims) do not hereafter form part of the calculation of the solvency ratio. Please see page 2, note 2.

The Group still aims at having an adjusted solvency ratio of at least 40%.

With the positive development in the equity capital and the solvency ratio there are still possibilities of expanding and, at the same time, keeping the financial targets set for the company.

Organisation:

The Sjælsø Group restructured its board of managers in the spring. The managing director Torben Rønje retired to care for his health better. Torben Rønje has been suffering from sclerosis for the past 10 years and therefore wants shorter working hours. Torben Rønje continues as a member of the board of directors and the company's investment committee.

Jørgen Junker, who has been with the Sjælsø Group for 15 years, joined the board of managers. His main area of responsibility is project development and the Group's construction division. Flemming Jensen, who has been employed by the Group for 8 years, also joined the board of managers and is primarily responsible for financing, accounts and investor contacts. The board of managers now consists of Ib Henrik Rønje, managing director, Jørgen Junker, director, and Flemming Jensen, director.

The Sjælsø Group believes that it is essential for future growth that it can attract and retain competent staff with an extensive knowledge of the industry and with good business acumen. The Company employed 36 members of staff at 30 June 2000.

Warrant programmes:

In the first six months of 1999 the Company introduced a warrant programme covering all staff in the firm. The positive response resulted in the Company implementing another warrant programme in the second six months of 2000, aimed especially at its executives and the board of directors.

Warrants have now been allotted for a total of 132,137 shares, equal to a nominal share capital of DKK 1,321,370. The average weighted allotment price is 222.43. There remains thereafter authori-

sation for the allotment of a further 66,903 shares, equal to a nominal share capital of DKK 669,030.

The allotted warrants can be exercised in the years 2001-2007.

Investor relations:

The Company continues to focus on investor relations and works dedicatedly towards increasing awareness of the company's objectives and results. During the summer of 2000 the Company carried out an Investor Perception Study, via an external advisor. The result of this will form the basis for the company's activities in relation to investors and analysts. The main focus here will be on market development, risk factors, sensitivity to market fluctuations, employee motivation and growth and business strategies.

Commercial property market:

The commercial property market is still developing very positively. The market for offices in Greater Copenhagen, in particular, enjoys rapid growth. IT and consultancy service companies, in particular, are undergoing rapid growth and a considerable number of mergers. This stimulates demand for larger office units in prestigious locations.

The market for commercial property in Greater Copenhagen has changed markedly over the past few years. It is no longer affected solely by local Danish market trends but follows international market trends because the main proportion of new leases is with international businesses expanding or setting up branches in Copenhagen. It is therefore the Company's opinion that the market will in the future be characterised by much more stability. Lessees as well as investors and advisors are acting more and more professionally. This makes the market more transparent and increases the opportunities in the market for professional participants at the expense of small individual property providers.

In the past year Sjælsø Gruppen A/S has focused on the market for offices in Copenhagen and has obtained a number of major contracts and opportunities of building especially in the harbour areas of Kalkbrænderihavnen and Havnestad.

With an annual volume of new building of about 2 million m² nationally for offices, store rooms and manufacture as well as a large market for renovation of existing buildings, the prospects for continued growth in the level of activity over the years to come are there.

Own shares:

The Sjælsø Group still holds own shares corresponding to 4.1% of the share capital. These shares were acquired at a price of 146,4 on average. Considering that the market is becoming increasingly interested in the Company's shares and that it will be desirable to increase the shares' liquidity, the company expects to put its shares on the market in the near future.

The Sjælsø Group's expectations of the years 2000 and 2001:

The level of activity continues to grow and the Company therefore revised its profit expectations for the year 2000 from DKK 100 million to DKK 120 million before tax in a notice sent to the Copenhagen Stock Exchange on 8 August 2000.

The company expects increased activities and increased revenues from year 2000 to year 2001 in the order of 20%.

Events since 30.06.2000:

In July the company initiated a strategic co-operation with the St. Frederikslund Group on the acquisition of the building permit for approx. 40,000 m² offices at Havnestad.

In August the company made an agreement regarding the construction of 9,650 m² headquarters for Belle Systems A/S with an option for a further 14,000 m² within a period of three years.

Ownership:

The following shareholders own more than 5% of the share capital of the company:

Brdr. Rønje Holding A/S (owned by Torben and Ib Henrik Rønje)

Henderson Investors UK

PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR 1 JANUARY – 30 JUNE 2000
(UNAUDITED)

	Group	
	Jan-Jun 2000 DKK 1,000	Jan-Jun 1999 DKK 1,000
Turnover	359,911	167,120
Direct costs	<u>-286,916</u>	<u>-125,982</u>
Gross profit	72,995	41,138
Staff expenses	-13,309	-8,747
Depreciation and write-down of fixed assets	-856	-741
Other operating costs	<u>-7,074</u>	<u>-6,248</u>
Operating profit	51,756	25,402
Financial income	2,434	1,566
Financial expenses	<u>-2,309</u>	<u>-1,585</u>
Ordinary profit before tax	51,881	25,383
Tax on ordinary profit	<u>-16,602</u>	<u>-8,123</u>
PROFIT FOR THE HALF YEAR	<u>35,279</u>	<u>17,260</u>

BALANCE SHEET AS AT 30.06.2000 - ASSETS
(UNAUDITED)

	Group	
	30.06. 2000 DKK 1,000	30.06. D 1999 DKK 1,000
Group headquarter	16,618	16,868
Machinery and equipment, fixtures and fittings	6,110	5,722
Total tangible fixed assets	22,728	22,590
Shares	5,013	4,566
Mortgage deeds and debt instruments	2,396	2,211
Total financial fixed assets	7,409	6,777
TOTAL FIXED ASSETS	30,137	29,367
Real property for resale	287,409	183,628
Projects in progress, own account	93,900	65,953
Sold projects in progress	130,206	59,125
Total project portfolio	511,515	308,706
Debtors	186,841	52,080
Other receivables	25,675	6,165
Total debtors	212,516	58,245
Own shares	21,965	13,019
Bonds	422	1,501
Total securities	22,387	14,520
Cash at bank and in hand	109,997	153,377
TOTAL CURRENT ASSETS	856,415	534,848
TOTAL ASSETS	886,552	564,215

BALANCE SHEET AS AT 30.06.2000 - LIABILITIES
(UNAUDITED)

	Group	
	30.06. 2000 DKK 1,000	30.06. 1999 DKK 1,000
Share capital	21,650	21,650
Share premium account	71,654	71,654
Reserve for own shares	21,965	13,019
Revaluation provisions	1,271	772
Retained profit	135,205	84,402
TOTAL CAPITAL AND RESERVES	<u>251,745</u>	<u>191,497</u>
Provision for rental guarantees	2,822	1,675
Provision for deferred tax	10,200	4,650
Other provisions	1,164	1,758
TOTAL PROVISIONS	<u>14,186</u>	<u>8,083</u>
Creditors (short-term and long-term)		
Mortgage loans	76,003	18,127
Bank loans	265,309	165,025
Payable purchase price on real property	163,120	50,145
Trade creditors	73,163	79,679
Prepaid purchase sum	0	19,633
Corporate taxes	20,811	13,540
Other creditors	22,215	18,486
TOTAL CREDITORS	<u>620,621</u>	<u>364,635</u>
TOTAL LIABILITIES	<u>886,552</u>	<u>564,215</u>