

UPDATE

NOTICE 2002 NO. 14 (4 PAGES)

Forbes Magazine nominates Sjælsø Gruppen as the worlds best developer...

SJÆLSØ GRUPPEN ON FORBES' LIST FOR THE SECOND SUCCESSIVE YEAR

From among 20,000 small cap companies (turnover below 1 billion USD) Forbes has selected the 200 most successful companies in terms of innovation and growth in turnover and surplus. Of these only three were real estate companies. This is the second successive year that

Sjælsø Gruppen is mentioned on the list over the most successful small cap companies.

Forbes' list singled out Sjælsø Gruppen for a gross profit as a percentage of turnover of 37% and an increase in earnings per share of 46%. This is a distinction which will enhance Sjælsø Gruppen's opportunities for dialogue with foreign share and property investors.

Extract of ongoing negotiations

FRØLAGERET, ODENSE

Ongoing negotiations with investor.

BLOK B, HAVNESTAD

Ongoing negotiations with tenant.

RADIOHUSET, FREDERIKSBERG

Expected to be sold at the end of 2002.



Expectations for 2002 are maintained

The entered sales and lease agreements, the newly entered joint ventures and ongoing negotiations together with the present level of activity - which gives us the impression that Sjælsø Gruppen's market share is increasing - support the fact that the expectations for 2002 - profits before tax of DKK 200-220

million - are maintained. As the activities for 2003 are expected to continue expectations for 2003 will be at least at the same level as 2002.

Sjælsø Gruppen's annual report will be announced on February 27, 2003.



Georg Jensen

11.500 m² new domicile.

Latest events...

DOUGHTY HANSON AND SJÆLSØ GRUPPEN STRENGTHEN COPENHAGEN PARTNERSHIP WITH AGREEMENT TO RE-DEVELOP ROYAL SCANDINAVIA SITE THROUGH THE 50/50 OWNED COMPANY PORCELÆNSHAVEN A/S

Doughty Hanson & Co. Real Estate Fund and Sjælsø Gruppen A/S, the publicly quoted Danish project development company, announce today a new joint venture to develop The Royal Scandinavia porcelain manufacturing site at Frederiksberg in the heart of Copenhagen.

The € 170 million joint venture is the second such partnership between Sjælsø Gruppen and Doughty Hanson following the successful launch, in May 2002, of the Havnestad Syd project in the Copenhagen harbour, one of the largest developments in the area.

The development of The Royal Scandinavia porcelain manufacturing site will be a mix of commercial, educational and residential properties. The majority of the 72,000 m² buildings will be maintained and upgraded with a small amount of new build for residential apartments.

Sjælsø Gruppen will be responsible for project development and construction management, with Doughty Hanson responsible for finance and investment structuring. The development and marketing strategy will be developed jointly.

It is anticipated that the joint venture will develop the site over a 4 - 5 years period and sell the new or renovated properties to third parties. Danish institutions have historically dominated the investment

market in Copenhagen, but interest among foreign investors is known to be growing.

NEW DOMICILE FOR GEORG JENSEN AND THE GROUP MANAGEMENT OF ROYAL SCANDINAVIA

When taking over the premises at Frederiksberg the refurbishment of 11,500 m² will begin. The premises will accommodate Georg Jensens future production and administration as well as the group management of Royal Scandinavia.

COPENHAGEN BUSINESS SCHOOL

Agreement is also expected to be reached with CBS for refurbishment of a further 18,000 m² of the existing factory buildings for teaching, research and administration purposes.



Market conditions for rental

FALLING TREND IN DEMAND FOR NEW HEAD OFFICES AND FACILITIES IN THE GREATER COPENHAGEN AREA

Although inquiries from companies investigating the market are still coming through, final agreements are not being reached at the same rate as in the previous 2-3 years. Nevertheless, the interest shown demonstrates an understanding of and the need for further facilities in the near future. It seems that decision-makers are delaying final decisions on new head offices until future prospects are clearer.

Sjælsø Gruppen has been able to assemble an extremely diverse project portfolio, including Havnestad, Den Kongelige Porcelænsfabrik and Radiohuset /TV-Byen. This helps to secure an activity level and new commissions which would otherwise not have been offered on the market. Also, the structure of these development projects is largely independent of current demand for head offices. In order to avoid financial strain on day-to-day operations, Sjælsø Gruppen has ensured that these very extensive development projects are bound together by positive cash-flow during the development period.

The Sjælsø Gruppen attaches great importance to a slim but efficient organization able to adjust quickly to market conditions, exploit business opportunities and adapt development projects to the market situation.

In Copenhagen City there is still a high vacancy rate due to the latest round of relocations to the harbour areas. Nevertheless, the feeling is that this floor space will be gradually leased out and refurbished for new tenants. However, these older tenancies will only rarely come to rival the modern products and projects offered by Sjælsø Gruppen.

Prospects for the future

DEMANDS FOR DOMICILES ARE NOT NECESSARILY A REFLECTION OF COMPANIES' ACTIVITY AND EARNINGS LEVEL

It is well-known that many sectors are experiencing stagnation and a reluctance to commit resources. Even so, there are still many companies enjoying success and showing good earnings and growth. Sjælsø Gruppen's aim is to maintain dialogue with these companies and to offer them total solutions in line with their requirements for new facilities.

However, in a number of cases the market situation is creating a need for downsizing, and this too could be of interest to Sjælsø Gruppen, as our concept is not based on business growth but on companies' specific needs for relocation - be it to larger or smaller premises.

COMPETITION

Sjælsø Gruppen is convinced that additional market share has been won in recent years. Sjælsø Gruppen has also shown a capability for implementing even very complicated projects such as DR (TV-Byen/Radiohuset) and Den Kongelige Porcelænsfabrik. In addition, it is Sjælsø Gruppen's impression that a number of its competitors are engaged in a very extensive and resource heavy projects, which consequently improves the opportunities for Sjælsø Gruppen to extend its market share.

In order to secure financial resources to enter new projects via joint ventures Sjælsø Gruppen has a continuing conservative and firm liquidity and balance control.

INVESTOR MARKET

Especially institutional investors are still showing interest in attractive development projects. The changes in the stock market have once again put the spotlight on real estate, with its potential for stable long-term returns.

Well-situated head office properties on 10-year leases are in great demand, and as the supply of such properties is very restricted, Sjælsø Gruppen judges that the sales potential for Sjælsø Gruppen's core products will continue to be favourable. The institutional investors are also becoming more interested in residential property, and hence a number of projects are planned in this area.

Sjælsø Gruppen expects to offer a limited number of projects of this kind, similar to the now completed construction on Amerikakaj where 78 apartments are owned by Nordea.

Sjælsø Gruppens 25 years jubilee

**THE DAY WAS MARKED WITH
A RECEPTION AT ROSMOSEGÅRD
(HEADQUARTERS OF SJÆLSØ GRUPPEN)
AND 300-400 GUESTS MADE THIS
DAY UNFORGETTABLE**

Two members of the management could celebrate their jubilee as well - Ib Henrik Rønje could celebrate his 25 years jubilee and Flemming Jensen his 10 years jubilee.

In stead of traditional gifts it was asked that contributions be made to medical research. We are proud to announce that a sum of DKK 113,470 has now been raised, and that the money will shortly be distributed following a decision by the Sjælsø Gruppen Board.

We want to take this opportunity to thank all our business associates who attended the reception. We look forward to continuous good relations.

After summer holidays 2003 we hope to see you all again at our housewarming in Sjælsø Gruppens new premises: Ny Allerødgård, Allerød.

Sjælsø Gruppens management

(From the left): Ib Henrik Rønje, managing director, Flemming Jensen, director and Jørgen Junker, director.



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