

TK Development sells Kennedy Arcade, Aalborg

Estimated consolidated profit for 2007/08 of minimum DKK 240 million after tax and minority interests

Summary:

- *TK Development has sold the Kennedy Arcade, Aalborg, Denmark, to API Property Fund Denmark P/S for DKK 465 million.*
- *TK Development expects a profit of minimum DKK 240 million after tax and minority interests for the 2007/08 financial year.*

Today, TK Development has entered into an agreement with Aberdeen Property Investors regarding the sale of the Kennedy Arcade project in Aalborg, Denmark.

The selling price amounts to DKK 465 million.

The Kennedy Arcade was completed as a multi-functional centre in spring 2004 and has since undergone a commissioning and development process. The overall project consists of three units:

- A retail unit with total floor space of approx. 16,400 m², including a multi-storey car park. The main tenants are Dreisler Storkøb, the North Jutland Region (including a traffic terminal) and Carpark. The remaining floor space is occupied by a number of minor stores, restaurants, etc.
- An office section comprising approx. 13,000 m², the main tenants being the Municipality of Aalborg, the North Jutland Region and a private hospital.
- A cinema complex of approx. 4,500 m² was sold already at end-2004 and is thus not included in the deal.

The sale underpins the previously announced profit forecast for the 2006/07 financial year of about DKK 240 million after tax and minority interests.

The Group expects a profit of minimum DKK 240 million after tax and minority interests for the 2007/08 financial year. This estimate is based on:

- Continued favourable trends on the markets in both Northern and Central Europe, where the Group's primary segment – the retail market – is marked by growth based on the retail chains' future expansion plans coupled with strong investor demand for new projects.
- A consistently good portfolio of blueprint projects representing more than 1,000,000 m², which corresponds to three to four years' activity at the present level. Projects exceeding a total of 150,000 m² are expected to be handed over in the fourth quarter of 2006/07. This quarter has also seen a steady intake of new projects that fully outweigh the floor space handed over.

Further information is available from Frede Clausen, President and CEO, tel. +45 88 96 10 10.