Interim report for the six-month period ending 31 July 2009

Announcement no. 12/2009, TK Development A/S, CVR 24256782

Sillebroen, Frederikssund, Denmark

TK development

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SUMMARY

- During the first six months of the 2009/10 financial year, TK Development recorded a profit of DKK 68.2 million after tax against DKK 50.9 million in the first half of 2008/09.
- Consolidated equity totalled DKK 1,605.7 million at 31 July 2009, corresponding to a solvency ratio of 38.3 %.
- The Group's 39,500 m² multifunctional centre, Entré in Malmö, Sweden, opened in March 2009 and was handed over to the investor in June 2009.
- The first 6,400 m² phase of the Group's retail park in Most, the Czech Republic, opened at the end of April 2009.
- The Group still faces difficult market conditions.
- The Group's project portfolio comprised 947,000 m², the same level as at 31 January 2009.
- TK Development continues to focus on costs, consolidating its position and executing existing projects in the portfolio.
- Based on the sales already realized, the Group anticipates a profit after tax of about DKK 50 million. The Group is working on additional sales, and if these sales are realized in the current financial year, the Group will be able to generate a profit of about DKK 150 million after tax, as previously forecast.

Further information is available from Frede Clausen, President and CEO, on tel. +45 8896 1010.

Handed-over projects

In the first six months of 2009/10, the Group handed over projects of almost 46,000 m². The projects handed over include the Group's multifunctional centre, Entré, Sweden, a Føtex supermarket in Brønderslev, Denmark, and residential units in Tivoli Residential Park, Poland.

Progress in the Group's projects

TK Development continues to focus on consolidating its position and executing existing projects in the portfolio, as well as on securing satisfactory pre-completion letting or sales.

Projects on which construction has started or is about to start are attracting a fair amount of interest from tenants. During the period under review, the Group concluded several lease agreements for such projects, which are thus progressing as planned.

Projects in the portfolio with a longer time horizon are facing sluggish demand because tenants are reluctant to enter into long-term commitments. This means that the expected construction startup has been postponed for some of these projects.

The current occupancy rate for the Group's shopping centre project in Frederikssund, Denmark, is 77 %. Construction is progressing according to plan, and the centre is scheduled to open in March 2010.

In Poland, construction of the Group's shopping centre project in Nowy Sącz is proceeding according to plan. The current occupancy rate is 98 %, and the shopping centre is scheduled to open in October 2009.

Construction of the Group's shopping centre project in Tarnów, Poland, is also progressing as planned. The current occupancy rate is 97 %, and the shopping centre is to open in November 2009.

The first 6,400 m² phase of the Group's retail park in Most, the Czech Republic, opened on 30 April 2009. The current occupancy rate for the first phase of the project is 83 %.

The investment in these four projects, on which construction has been ongoing in the first half of 2009/10, is the main reason for the increase in the Group's project portfolio from DKK 2.5 billion at 31 January 2009 to DKK 2.9 billion at 31 July 2009.

Market conditions

The Group still faces a difficult market situation.

The financial markets continue to be highly uncertain. Banks are still reluctant to provide loans for financing real property and continue to impose strict equity requirements for individual projects.

In the period under review, the number of completed property deals in the Group's markets remained low, resulting in uncertainty about real property pricing and a general wait-and-see attitude among investors, which is expected to continue for yet another period.

Letting conditions in the retail segment remain stable, although demand has slackened and tenants are taking longer to make lease decisions. Projects on which construction has started or is about to start have attracted particular interest from tenants, and in the first six months of 2009/10 the Group concluded several lease agreements for such projects. Against the backdrop of lower private consumption and falling retail turnover in the first half of 2009, Management expects rent levels to be under pressure in the period ahead. At the same time, tenants are increasingly focusing on location. In the current market situation, the project location is thus even more important than earlier.

The restrained growth has caused a decline in land and construction prices, and Management expects this falling trend to continue.

Further project opportunities

In addition to consolidating its position and executing existing projects in its portfolio, the Group is investigating alternative earnings possibilities and striving to secure future project opportunities, including through long-term option agreements.

As part of its efforts to identify alternative earnings possibilities, TK Development engages in dialogue with credit institutions and other organizations with distressed projects which the difficult market conditions have prevented from being completed. This dialogue is focusing on distressed projects that TK Development will be able to complete efficiently, based on its know-how and expertise. The discussions relate particularly to projects whose stage of development means they can be implemented within a relatively short time span.

To underpin the Group's long-term earnings potential, TK Development is also working to secure future project opportunities, including by entering into long-term option agreements for land. Long-term option agreements have been concluded for projects where construction startup is expected within a period of one to three years, which means that the Group can work on the contemplated project for a fairly long period, allowing time for negotiations with public authorities, prospective tenants and investors. The aim is to ensure the best possible project preparation before construction startup, including to secure a high occupancy rate. A case in point is a long-term option agreement for a plot of land in the Czech town of Frýdek Místek, where TK Development is planning to build a 19,000 m² shopping centre.

The Group's project portfolio

Future earnings on part of the Group's existing project portfolio are under pressure due to the changed market conditions, although falling construction costs will partly compensate for this. Positive earnings are still anticipated on all projects in the portfolio. New projects in the portfolio are expected to generate a normal profit.

The development of the Group's project portfolio is shown below:

	31 Jan. 2008	31 Jan. 2009	31 July 2009
Project portfolio (DKKm)			
Gross project portfolio	2,777	3,484	3,236
Forward funding	832	943	313
Carrying amount of project portfolio	**1,945**	**2,541**	**2,923**
Development potential in '000 m²:			
Sold projects	264	183	139
Remaining projects	948	777	808
Total project portfolio	**1,212**	**960**	**947**
Number of projects	86	63	66

Outlook for 2009/10

TK Development expects the challenging market conditions to continue in the 2009/10 financial year.

Based on the sales already realized, the Group anticipates a profit after tax of about DKK 50 million. The Group is working on additional sales, and if these sales are realized in the current financial year, the Group will be able to generate a profit of about DKK 150 million after tax, as previously forecast.

The profit forecast does not include any value adjustments of the Group's investment properties resulting from changes in predetermined return requirements.

The expectations for future developments presented in this announcement, including earnings expectations, are naturally subject to risks and uncertainties and may be affected by various factors, such as global economic conditions and other significant issues, including credit-market, interest-rate and foreign-exchange developments. Reference is also made to the section on risk issues in the Group's 2008/09 Annual Report.

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CONSOLIDATED FINANCIAL HIGHLIGHTS AND KEY RATIOS

(DKKm)	1st half 2008/09	Full-year 2008/09	**1st half 2009/10**
Financial highlights:			
Net revenue	288.7	1,052.4	**1,177.7**
Value adjustment, investment properties	59.9	57.7	**2.1**
Gross profit/loss	159.8	375.0	**161.4**
Profit/loss from ordinary activities before financing	73.7	201.7	**84.7**
Financing, etc.	-19.9	-33.4	**-4.1**
Profit/loss before tax	53.9	168.0	**80.6**
Consolidated profit/loss	50.9	155.2	**68.2**
Shareholders' share of profit/loss for the year	50.9	155.2	**68.2**
Balance sheet total	3,914.9	3,816.1	**4,191.4**
Property, plant and equipment	382.7	380.8	**380.5**
of which investment properties	368.9	366.5	**368.3**
Carrying amount of project portfolio	2,131.4	2,541.3	**2,922.5**
of which total project portfolio	2,178.7	2,541.3	**2,925.8**
of which prepayments received from customers	-47.3	0.0	**-3.3**
Contracted work in progress	0.0	3.7	**0.0**
Equity	1,521.7	1,506.0	**1,605.7**
Cash flows from operating activities	-238.0	-637.6	**-320.5**
Net interest-bearing debt, end of year	1,208.7	1,509.5	**1,851.5**
Key ratios:			
Return on equity (ROE) *	6.9 %	10.5 %	**8.8 %**
Earnings before interest and tax (EBIT margin)	25.5 %	19.2 %	**7.2 %**
Solvency ratio (based on equity)	38.9 %	39.5 %	**38.3 %**
Equity value (nom. DKK 20)	54.3	53.7	**57.3**
Earnings per share (EPS-D) of nom. DKK 20	1.8	5.5	**2.4**
Dividend (in DKK per share)	0.0	0.0	**0.0**
Listed price of shares (nom. DKK 20)	56	22	**25**
Key ratios adjusted for warrants:			
Return on equity (ROE) *	6.9 %	10.5 %	**8.8 %**
Solvency ratio (based on equity)	38.9 %	39.5 %	**38.3 %**
Equity value (nom. DKK 20)	54.3	53.7	**57.3**
Diluted earnings per share (EPS-D) of nom. DKK 20	1.8	5.5	**2.4**

The calculation of key ratios was based on the guidelines issued by the Danish Society of Financial Analysts. Basis for calculating solvency ratio: equity at year-end/liabilities at year-end.

*) Converted to full year.

First six months 2009/10

The profit after tax for the first half of 2009/10 amounted to DKK 68.2 million, against DKK 50.9 million in the first half of 2008/09. The balance sheet total amounted to DKK 4,191.4 million at 31 July 2009 against DKK 3,816.1 million at 31 January 2009. Consolidated equity totalled DKK 1,605.7 million, and the solvency ratio stood at 38.3 %.

Handed-over projects

In the first six months of 2009/10, the Group handed over projects of almost 46,000 m².

The Group handed over another 22 commonhold units in the Tivoli Residential Park, Poland, to the buyers.

The Group's multifunctional centre, Entré in Malmö, Sweden, opened on 19 March 2009. The centre has a floor space of 39,500 m², and the current occupancy rate is 89 %. The project was sold to Commerz Real Investmentgesellschaft mbH and handed over to the investor in June 2009.

The Group has completed 4,700 m² of its retail park project in Brønderslev, Denmark, and handed over the completed premises to Dansk Supermarked and OK Benzin. The remaining premises of about 1,100 m² have been fully let.

Progress in the Group's projects

TK Development continues to focus on consolidating its position and executing existing projects in the portfolio, as well as on securing satisfactory pre-completion letting or sales.

Projects on which construction has started or is about to start are attracting a fair amount of interest from tenants. During the period under review, the Group concluded several lease agreements for such projects, which are thus progressing as planned.

Projects in the portfolio with a longer time horizon are facing sluggish demand because tenants are reluctant to enter into long-term commitments. This means that the expected construction startup has been postponed for some of these projects.

The current occupancy rate for the Group's shopping centre project in Frederikssund, Denmark, is 77 %. Construction is progressing according to plan, and the centre is scheduled to open in March 2010.

In Poland, construction of the Group's shopping centre project in Nowy Sącz is proceeding according to plan. The current occupancy rate is 98 %, and the shopping centre is scheduled to open in October 2009.

Construction of the Group's shopping centre project in Tarnów, Poland, is also progressing as planned. The current occupancy rate is 97 %, and the shopping centre is to open in November 2009.

The first 6,400 m² phase of the Group's retail park in Most, the Czech Republic, opened on 30 April 2009. The current occupancy rate for the first phase of the project is 83 %.

The investment in these four projects, on which construction has been ongoing in the first half of 2009/10, is the main reason for the increase in the Group's project portfolio from DKK 2.5 billion at 31 January 2009 to DKK 2.9 billion at 31 July 2009.

The Group's total project portfolio comprised 947,000 m², the same level as at 31 January 2009. During the period under review, the Group handed over projects of almost 46,000 m², and the intake of new projects represents a net floor space of 33,000 m², a result of TK Development's efforts to secure future project opportunities; see below.

Market conditions

The Group still faces a difficult market situation.

The financial markets continue to be highly uncertain. Banks are still reluctant to provide loans for financing real property and continue to impose strict equity requirements for individual projects.

In the period under review, the number of completed property deals in the Group's markets remained low, resulting in uncertainty about real property pricing and a general wait-and-see attitude among investors, which is expected to continue for yet another period.

Letting conditions in the retail segment remain stable, although demand has slackened and tenants are taking longer to make lease decisions. Projects on which construction has started or is about to start have attracted particular interest from tenants, and in the first six months of 2009/10 the Group concluded several lease agreements for such projects. Against the backdrop of lower private consumption and falling retail turnover in the first half of 2009, Management expects rent levels to be under pressure in the period ahead. At the same time, tenants are increasingly focusing on location. In the current market situation, the project location is thus even more important than earlier.

The restrained growth has caused a decline in land and construction prices, and Management expects this falling trend to continue.

Macroeconomic indicators in terms of GDP, private consumption and unemployment in the Group's markets appear from the figure below, showing expectations for economic growth in the individual countries from 2010, apart from Latvia and Lithuania. The indicators for 2009 reflect very weak trends in the first half of the year, with recovery expected in the second half.

Macroeconomic indicators:

	2007	2008	2009e	2010e	2011e
GDP (% y/y)					
Denmark	1.3	-1.2	-3.0	1.5	1.7
Sweden	2.6	-0.2	-4.2	2.8	2.0
Finland	4.2	1.0	-4.5	2.5	2.0
Latvia	10.0	-4.6	-18.0	-3.0	2.0
Lithuania	8.9	3.0	-16.0	-4.0	1.0
Poland	6.8	4.8	1.2	2.7	4.0
Czech Republic	6.1	2.8	-2.8	2.5	3.7
Slovakia*)	10.4	6.4	-2.6	0.7	-
Private consumption (% y/y)					
Denmark	2.4	-0.2	-3.5	2.1	1.7
Sweden	3.0	-0.2	-0.7	2.5	2.0
Finland	3.3	1.9	-1.0	1.2	1.7
Latvia	14.8	-11.0	-20.0	-7.0	1.0
Lithuania	12.4	4.7	-17.0	-6.0	1.0
Poland	4.9	4.9	3.5	2.2	3.8
Czech Republic	4.9	2.6	1.2	1.5	3.0
Slovakia*)	7.0	6.1	0.5	0.9	-
	2007	2008	2009e	2010e	2011e
Unemployment (%)					
Denmark	2.7	1.8	3.7	5.7	6.0
Sweden	6.1	6.2	8.6	10.2	9.9
Finland	6.9	6.4	8.6	9.4	9.2
Latvia	6.0	7.5	16.0	18.5	18.0
Lithuania	4.3	5.8	15.0	17.0	17.5
Poland	12.7	9.8	11.0	11.9	11.6
Czech Republic	6.6	5.4	8.5	9.0	8.4
Slovakia*)	11.1	9.5	12.0	12.1	-

Source: Nordea Bank, the report "Økonomisk perspektiv", September 2009

**) Source: The European Commission*

Further project opportunities

In addition to consolidating its position and executing existing projects in its portfolio, the Group is investigating alternative earnings possibilities and striving to secure future project opportunities, including through long-term option agreements.

As part of its efforts to identify alternative earnings possibilities, TK Development engages in dialogue with credit institutions and other organizations with distressed projects which the difficult market conditions have prevented from being completed. This dialogue is focusing on distressed projects that TK Development will be able to complete efficiently, based on its know-how and expertise. The discussions relate particularly to projects whose stage of development means they can be implemented within a relatively short time span.

To underpin the Group's long-term earnings potential, TK Development is also working to secure future project opportunities, including by entering into long-term option agreements for land. Long-term option agreements have been concluded for projects where construction startup is expected within a period of one to three years, which means that the Group can work on the contemplated project for a fairly long period, allowing time for negotiations with public authorities, prospective tenants and investors. The aim is to ensure the best possible project preparation before construction startup, including to secure a high occupancy rate.

A case in point is a long-term option agreement for a plot of land in the Czech town of Frýdek Místek, where TK Development is planning to build a 19,000 m² shopping centre.

Financing

The Group's short-term debt to credit institutions consists of operating and project credits. TK Development has entered into a general agreement with the Group's main banker about both types of credit. The agreement and conditions are renegotiated on an annual basis.

In addition, the Group has entered into project-financing agreements with various banks in Denmark and abroad. Project credits are usually granted with different terms to maturity, depending on the specific project. Of the project credits outstanding at 31 January 2009, credits worth DKK 426.9 million were due to mature in the 2009/10 financial year. Credits of about DKK 140 million, which are due to mature at the end of 2009, are still awaiting prolongation. Management is currently discussing the prolongation of these credits with the relevant creditors.

Focus on costs

Based on the market situation in Latvia and Management's expectations that a recovery is not around the corner, it has been decided to close the Group's office in Riga. Therefore, these activities are now managed from the office in Vilnius, Lithuania.

At the end of 2008/09, the organization was adapted to match the current activity level, and further adjustments have been made since then. Thus, the number of employees was reduced from 164 at 31 January 2009 to 141 at 31 July 2009. The full impact of the completed organizational adaptation will be realized in the course of 2009. The Group expects to cut its cost level for 2009/10 by about 15 % compared to 2008/09.

Post-balance sheet events

No major events affecting the Company other than those mentioned in the Management's review have occurred after the reporting date.

Outlook for 2009/10

TK Development expects the challenging market conditions to continue in the 2009/10 financial year.

Based on the sales already realized, the Group anticipates a profit after tax of about DKK 50 million. The Group is working on additional sales, and if these sales are realized in the current financial year, the Group will be able to generate a profit of about DKK 150 million after tax, as previously forecast.

The profit forecast does not include any value adjustments of the Group's investment properties resulting from changes in predetermined return requirements.

The expectations for future developments presented in this announcement, including earnings expectations, are naturally subject to risks and uncertainties and may be affected by various factors, such as global economic conditions and other significant issues, including credit-market, interest-rate and foreign-exchange developments. Reference is also made to the section on risk issues in the Group's 2008/09 Annual Report.

The Group's project portfolio

The Group's project portfolio comprised a total of 947,000 m² at 31 July 2009, the same level as at 31 January 2009. Sold projects accounted for 139,000 m² and remaining projects for 808,000 m².

Future earnings on part of the Group's existing project portfolio are under pressure due to the changed market conditions, although falling construction costs will partly compensate for this. Positive earnings are still anticipated on all projects in the portfolio. New projects in the portfolio are expected to generate a normal profit.

The development of the Group's project portfolio is shown below:

(DKKm)	31 Jan. 2008	31 Jan. 2009	31 July 2009
Sold			
Completed	0	0	0
In progress	29	4	-3
Not initiated	52	41	13
Total	**81**	**45**	**10**
Remaining			
Completed	465	565	616
In progress	186	813	1.115
Not initiated	1,213	1,118	1,182
Total	**1,864**	**2,496**	**2,913**
Net project portfolio	**1,945**	**2,541**	**2,923**
Forward funding	832	943	313
Gross project portfolio	2,777	3,484	3,236
Forward funding in % of gross carrying amount of sold projects	**91.1 %**	**95.4 %**	**96.9 %**

Table 1

('000) m²	31 Jan. 2008	31 Jan. 2009	31 July 2009
Sold			
Completed	0	0	0
In progress	109	56	11
Not initiated	155	127	128
Total	**264**	**183**	**139**
Remaining			
Completed	34	35	43
In progress	54	103	105
Not initiated	860	639	660
Total	**948**	**777**	**808**
Project portfolio	**1,212**	**960**	**947**
Number of projects	**86**	**63**	**66**

Table 2

By means of forward funding, the Group continuously reduces the funds tied up in the portfolio of sold projects. The amount of forward funding has been considerably reduced since 31 January 2009 due to the handing-over of the Group's multifunctional centre, Entré, Sweden, to the investor. In light of the current market conditions, the Group considers that it will be harder to conclude agreements for the sale of future projects on the basis of forward funding.

As appears from the table above, the carrying amount of remaining projects in progress increased substantially during the period under review. This increase is attributable to the Group's ongoing building projects in Frederikssund, Denmark, and in Tarnów and Nowy Sącz, Poland.

The following table shows the distribution of the carrying amounts of projects in the portfolio at 31 July 2009 for the two business units.

Projects at 31 July 2009 (DKKm)	TKD Nordeuropa	Euro Mall Holding	Group, total *)	
				Per cent of total
Sold				
Completed	0	0	0	0.0 %
In progress	-3	0	-3	-0.1 %
Not initiated	7	6	13	0.5 %
Total	**4**	**6**	**10**	**0.4 %**
Unsold				
Completed	165	416	581	20.4 %
In progress	688	427	1,115	39.0 %
Not initiated	480	666	1,146	40.2 %
Total	**1,333**	**1,509**	**2,842**	**99.6 %**
Project portfolio	**1,337**	**1,515**	**2,852**	**100.0 %**

*) excl. TK Development, Parent Company, a total of DKK 71 million.

Table 3

The table below shows the number of square metres in the project portfolio, distributed on the two business units. There are no development projects in the Parent Company.

Projects at 31 July 2009 ('000) m²	TKD Nord-europa	Euro Mall Holding	Group, total *)	
				Per cent of total
Sold				
Completed	0	0	0	0.0 %
In progress	11	0	11	1.2 %
Not initiated	6	122	128	13.5 %
Total	**17**	**122**	**139**	**14.7 %**
Unsold				
Completed	16	27	43	4.5 %
In progress	71	34	105	11.0 %
Not initiated	406	254	660	69.8 %
Total	**493**	**315**	**808**	**85.3 %**
Project portfolio	**510**	**437**	**947**	**100.0 %**

*) excl. TK Development, Parent Company.

Table 4

A more detailed description of all major projects appears from the section concerning the project portfolio under the individual business units.

TK Development, the Parent Company

TK Development, the Parent Company, is a holding company for TKD Nordeuropa and Euro Mall Holding. Moreover, this part of the Group owns the projects in Germany and Russia and a few other assets.

The interim results for this part of the Group constitute a profit of DKK 1.9 million after tax, against a loss of DKK 14.0 million for the first half of 2008/09. This part of the Group's project portfolio has undergone no significant changes since the publication of the Group's 2008/09 Annual Report.

TKD Nordeuropa

The Group's activities in Northern Europe are placed in the wholly-owned subgroup TKD Nordeuropa. TKD Nordeuropa primarily operates in the retail property segment (shopping centres and retail parks), the office segment and the mixed segment, including multifunctional projects.

During the first six months of the 2009/10 financial year, TKD Nordeuropa recorded a profit after tax of DKK 63.9 million against DKK 13.1 million in the same period the year before.

Major projects contributing to the profit for the period include the following:

The Entré Multifunctional Centre, Malmö, Sweden
The Group's multifunctional centre, Entré, opened on 19 March 2009 and was handed over to the investor, Commerz Real Investmentgesellschaft mbH, in June 2009. The selling price was fixed on the basis of a return requirement of 6 %, with the sales agreement being based on forward funding. The occupancy rate has reached 89 %. The multifunctional centre has total premises of 39,500 m², comprising retail stores of 25,800 m², restaurants, cinema, fitness and bowling facilities of 10,700 m², offices of 300 m² and residential accommodation of 2,700 m². In addition, the centre has common areas and underground parking facilities with 900 spaces.

Retail park, Brønderslev
In Brønderslev, the Group is developing a retail project of about 5,800 m². The Group has entered into an agreement with Dansk Supermarked regarding the establishment of a 3,700 m² Føtex supermarket and with OK Benzin regarding the establishment of a petrol station. The completed premises were handed over to Dansk Supermarked and OK Benzin in the first half of 2009/10.

Project portfolio

The development potential of the project portfolio represented 510,000 m² at 31 July 2009, of which sold projects accounted for 17,000 m² and remaining projects for 493,000 m². The project portfolio had a total development potential of 541,000 m² at 31 January 2009.

Projects

Premier Outlets Centre, Ringsted, Denmark
This project has been developed in a 50/50 joint venture with Miller Developments, a Scottish subsidiary of the Miller Group. The project consists of a factory outlet centre and restaurant facilities, with a total floor space of 13,200 m² and about 1,000 parking spaces. This is Denmark's first major factory outlet centre. The centre opened on 6 March 2008, and the current occupancy rate is 65 %. Hugo Boss opened its first factory outlet store in Scandinavia in March 2009, and negotiations with several potential Danish and international tenants are ongoing. The centre is expected to be sold after a run-in and maturing period.

Østre Teglgade, Copenhagen, Denmark
This attractively located project covers an area of 24,000 m² at Teglholmen. The area is well-suited for a housing or office project. The project may be built in phases in step with letting and/or sale. A local plan for the area is currently being drawn up.

Amerika Plads, Copenhagen, Denmark
Kommanditaktieselskabet Danlink Udvikling (DLU), which is owned 50/50 by Udviklingsselskabet By og Havn I/S and TKD Nordeuropa, owns three projects at Amerika Plads: lot A, lot C and an underground car park. A building complex with about 11,000 m² of office space is to be built on lot A, and a building complex with about 13,800 m² of commercial and residential space on lot C. Construction will take place as the space is let. Part of the underground car park in the Amerika Plads area has been built. The Group expects to sell the total parking facility upon final completion.

Project outline

The outline below lists the key projects of TKD Nordeuropa's project portfolio. The carrying amounts of the projects listed below accounted for more than 95 % of the total carrying amount of the project portfolio at 31 July 2009.

In terms of carrying amount, TKD Nordeuropa's five largest projects represented a total of DKK 879.2 million at 31 July 2009.

Project name	City/town	Segment	Floor space (m²)	TKD's ownership interest	Construction start/ expected construction start	Opening/ expected opening
Denmark						
Premier Outlets Centre	Ringsted	Retail	13,200	50 %	Autumn 2006	March 2008
Østre Teglgade	Copenhagen	Office/ residential	24,000	[1] 100 %	As units are completed	As units are completed
Amerika Plads, lot C	Copenhagen	Mixed	13,800	50 %	2010	2012
Amerika Plads, lot A	Copenhagen	Office	11,000	50 %	2010	2012
Amerika Plads, underground car park	Copenhagen	Under-ground car park	32,000	50 %	2004	As units are completed
Sillebroen, shopping centre	Frederikssund	Retail/ residential	28,000	100 %	Mid-2008	March 2010
Århus South, phase II	Århus	Retail	2,800	100 %	Early 2010	End-2010
Ejby Industrivej	Copenhagen	Office	12,900	100 %	2009	2010
Hadsundvej	Aalborg	Mixed	8,600	100 %	As units are completed	As units are completed
Østre Havn/Stuhrs Brygge	Aalborg	Mixed	80,000	[1] 50 %	As units are completed	As units are completed
Retail park, Anelystparken	Århus	Retail	2,800	100 %	Early 2008	Mid-/autumn 2008
Retail park, Aabenraa	Aabenraa	Retail	4,200	100 %	Autumn 2008	Mid-2009/early 2010
Retail park, Brønderslev	Brønderslev	Retail	1,100	100 %	Autumn 2008	Mid-2009
Vasevej	Birkerød	Mixed	4,400	100 %	2009	2010
Sweden						
Bazaar	Gothenburg	Mixed	45,000	100 %	Early 2011	2013
Retail park, Karlstad	Karlstad	Retail	15,000	100 %	End-2011	End-2012
Retail park, Söderhamn	Söderhamn	Retail	10,000	100 %	Early 2010	Early 2011
Retail park, Kofoten, Kristianstad	Kristianstad	Retail	6,200	100 %	Mid-2008	End-2010
Retail park, Enebyängen, Danderyd	Danderyd	Retail	14,400	100 %	2009	Autumn 2010
Retail park, Uppsala	Uppsala	Retail	10,800	100 %	Early 2009	Spring 2010
Finland						
Pirkkala Retail Park, phase II	Tammerfors	Retail	5,500	100 %	Early 2010	End-2010
Kaarina Retail Park	Turku	Retail	7,500	100 %	2009	2010
Baltic States						
DomusPro Retail Park	Vilnius	Retail	14,300	100 %	-	-
Milgravja Street	Riga	Residential	10,400	50 %	-	-
Ulmana Retail Park	Riga	Retail	12,700	100 %	-	-
TKD Nordeuropa, total floor space		**approx.**	**390,000**			

1) TKD Nordeuropa's share of profit on development amounts to 70 %.

Sillebroen, shopping centre, Frederikssund, Denmark
In Frederikssund, TKD Nordeuropa is constructing a project with a total floor space of about 28,000 m². The project comprises a shopping centre of about 25,000 m², of which 5,000 m² has been let to supermarket operators, while the remaining 20,000 m² will be let to speciality stores and restaurants. In addition, the project comprises about 3,000 m² of residential space. The occupancy rate has reached 77 %, and the tenants include Kvickly, Fakta, Hennes & Mauritz, Synoptik, Matas, Skoringen, Deichmann and Vero Moda. Construction was initiated in mid-2008, and the opening of the centre is scheduled for March 2010. A multi-storey car park with about 800 parking spaces will be established at the centre. An agreement has been made regarding the sale to a private investor of options to build the residential space.

Århus South, phase II, Denmark
In Århus, the Group is developing a retail project of about 5,300 m². The project consists of two phases, of which the first completed phase of about 2,500 m² was handed over in November 2007 to the investors: a property company and a user. Construction on the second phase will start once the letting status and relevant authority approvals are in place.

Østre Havn/Stuhrs Brygge, Aalborg, Denmark
In the area previously occupied by Aalborg Shipyard at Stuhrs Brygge, TKD Nordeuropa is developing a business and residential park of about 80,000 m², for which TKD Nordeuropa regularly buys land for new project development. The Group has for some time worked on attempts to amend the local plan for the purpose of changing the zoning status of about 6,600 m² from office to residential use. The local plan has now been adopted. Negotiations with a potential investor for this residential space are ongoing.

Retail park, Anelystparken, Århus, Denmark
This project consists of a 2,800 m² retail park, of which about 2,400 m² has been let to date. The retail park has been completed and handed over to the tenants.

Retail park, Brønderslev
In Brønderslev, the Group is developing a retail project of about 5,800 m². The Group has entered into an agreement with Dansk Supermarked regarding the establishment of a 3,700 m² Føtex supermarket and with OK Benzin regarding the establishment of a petrol station. The completed premises were handed over to Dansk Supermarked and OK Benzin in the first half of 2009/10. The remaining premises of about 1,100 m² have been let to Punkt 1 and an amusement arcade operator. After handing over the Føtex supermarket to Dansk Supermarked, the Group is to take over the old 2,400 m² Føtex property in Brønderslev and expects to let the premises to retail stores.

Vasevej, Birkerød, Denmark
TKD Nordeuropa owns a property of about 3,000 m² at Vasevej in Birkerød, rented by SuperBest. Plans are in progress to build new premises of about 1,400 m² on the property, bringing the total project area up to about 4,400 m². A lease agreement for premises of about 1,100 m² has been signed by Lidl. The total project will consist of a combination of retail and office premises. Construction is expected to start in the course of 2009, with the opening scheduled for 2010.

Bazaar, shopping centre and service/commercial space, Gothenburg, Sweden
TKD Nordeuropa and the Swedish housing developer JM AB have entered into a cooperation agreement with SKF Sverige AB to develop SKF's former factory area in the old part of Gothenburg. The contemplated project comprises a total floor space of about 75,000 m²: 30,000 m² for a shopping centre, 15,000 m² for services/commercial use and 30,000 m² for housing. TK Development will be in charge of developing the 45,000 m² for a shopping centre, services and commercial facilities, while JM AB will have responsibility for the 30,000 m² of housing. The acquisition of land for the project will be completed following the adoption of a local plan, expected in the course of 2010.

Kofoten, Kristianstad, Sweden
TKD Nordeuropa owns a property in Kristianstad. Following conversion and extension, the project will comprise a retail park of about 6,200 m². The existing building of about 4,000 m² is almost fully let, renovation has been completed, and the retail stores have opened. The overall project is expected to be completed by end-2010.

Retail park, Enebyängen, Danderyd, Sweden
TKD Nordeuropa is planning to build a new commercial centre in the municipality of Danderyd near Stockholm. The total project is expected to comprise a 14,400 m² retail park, and lease agreements have been signed for some of the premises, including 4,300 m² let to supermarket operator Coop Extra, app. 4,000 m² let to a furniture store, and premises let to Plantasjen. To date, lease agreements for 99 % of the premises have been signed. Construction is expected to start in the course of 2009, and the retail park is scheduled to open in autumn 2010.

Retail park, Uppsala, Sweden
With effect from 15 December 2008, TKD Nordeuropa has taken over the development of a 10,800 m² retail park in the Swedish city of Uppsala. The retail park has been sold to an institutional fund of German IVG Funds on the basis of forward funding, with the investor making payments as construction progresses. The total selling price amounts to about SEK 200 million. The current occupancy rate is 91 %. The anchor ten-

ants include Toys"R"Us, Hemtex and Cervera. Construction began in February 2009, and the retail park is expected to be handed over to IVG Funds in April 2010.

Kaarina Retail Park, Turku, Finland
In the Finnish town of Turku, TKD Nordeuropa owns a plot of land allowing for the construction of a 7,500 m² retail park. Work is proceeding on an extension of the project to a total of 14,500 m², and negotiations with potential users are ongoing.

DomusPro Retail Park, Vilnius, Lithuania
TKD Nordeuropa owns a plot of land in Vilnius reserved for building a 14,300 m² retail park. Compared to the original project, the premises have been reduced by about 4,000 m². A building permit has been granted for the project. The Group has postponed the startup of construction until a sale of the project has been completed or satisfactory pre-completion letting achieved, relative to the market situation in the country.

Euro Mall Holding

TK Development carries on its activities in Central Europe primarily through Euro Mall Holding, with the main focus on the retail property segment (shopping centres and retail parks) and the mixed segment (including multifunctional projects) and in Poland, also the residential segment.

During the first six months of the 2009/10 financial year, Euro Mall Holding recorded a profit after tax of DKK 2.4 million against DKK 51.8 million in the same period the year before. During the first six months of 2009/10, Euro Mall Holding handed over another 22 residential units in the Group's housing project, Tivoli Residential Park, Poland. The profit includes a DKK 2.1 million value adjustment of the Group's Czech investment property and operation of the Group's completed properties. The value adjustment for the first half of 2008/09 amounted to DKK 59.9 million.

Project portfolio

The development potential of the project portfolio represented 437,000 m² at 31 July 2009, of which sold projects accounted for 122,000 m² and remaining projects for 315,000 m². The project portfolio had a total development potential of 419,000 m² at 31 January 2009.

Project outline

The outline on page 16 lists the key projects of Euro Mall Holding's project portfolio. The carrying amounts of the projects listed below accounted for more than 90 % of the total carrying amount of the project portfolio of Euro Mall Holding at 31 July 2009. In terms of carrying amount, Euro Mall Holding's five largest projects represented a total of DKK 1,209.5 million at 31 July 2009.

Projects

Stocznia multifunctional centre, Young City, Gdansk, Poland
Based on current plans, this multifunctional centre in Gdansk, Poland, will have total premises of about 72,000 m², to be developed in a joint venture with Atrium European Real Estate. The centre will comprise retail, restaurant and leisure facilities of about 61,000 m² and an office tower of about 11,000 m². Two previously planned residential towers totalling about 22,000 m² have been put on hold. Atrium European Real Estate has undertaken the overall project financing and will retain a long-term investment in the retail, restaurant and leisure premises. Negotiations are being held with several tenants, all indicating keen interest in renting premises in the centre. During the development period, TK Development will generate earnings through fee income and a profit share based on the rental income obtained when the centre opens. The building permit is expected to be issued in autumn 2009. Once the work on the town's infrastructure has begun, it will be decided when to start project construction. This project represents the first phase of a major development plan for the whole area.

Residential park, Bielany, Warsaw, Poland
Euro Mall Holding owns a tract of land in Warsaw allowing for the construction of 900-1,000 residential units. The plan is to build the project in four phases. Construction of the first phase is anticipated to start in autumn 2010, once the relevant authority approvals are in place and the pre-completion sale has reached a satisfactory level, with handing-over scheduled for mid-2012. The remaining phases will then be handed over successively. The residential units are expected to be sold as commonhold units to private users.

Tivoli Residential Park, Targówek, Warsaw, Poland
In autumn 2008, the Group completed its first housing project in Poland on the land owned by Euro Mall Holding in the Targówek area in Warsaw. The project consists of 280 residential units, of which 261 have been sold and handed over to the new owners. Another 12 units, yet to be handed over to the buyers, had been sold by 31 July 2009. A building permit has been issued for the construction of about 5,700 m² for service trades. A conditional agreement for the sale of about 3,100 m² has been concluded. The buildings for this part of the project are scheduled for completion in autumn 2010.

Shopping centre, Tarnów, Poland
In the Polish town of Tarnów, Euro Mall Holding began construction on a 16,500 m² shopping centre in September 2008, comprising a supermarket of about 2,700 m² and specialty stores of about 13,800 m². The current occupancy rate is 97 %. The centre is scheduled to open in November 2009.

Selected projects in the project portfolio

Retail park, Aabenraa,
Denmark

Most Retail Park, Most,
Czech Republic

DomusPro Retail Park, Vilnius,
Lithuania

Retail park, Prešov,
Slovakia

Fashion Arena Outlet Center, Prague,
Czech Republic

Tivoli Residential Park, Targówek, Warzaw ,
Poland

Amerika plads, lot A,
Denmark

Liberec Retail Park, Liberec,
Czech Republic

Retail park, Teplice,
Czech Republic

Shopping centre, Tarnów,
Poland

Retail park, Brønderslev,
Denmark

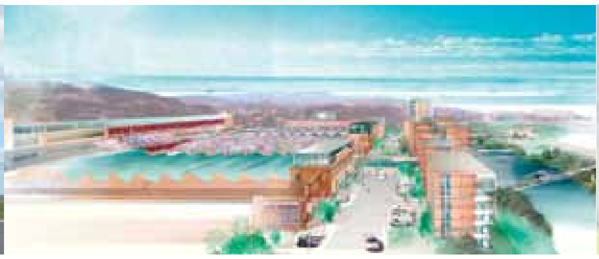
Residential Park, Bielany, Warsaw,
Poland

Premier Outlets Center, Ringsted,
Denmark

Shopping centre, Nowy Sącz,
Poland

Sillebroen, Frederikssund,
Denmark

Retail park, Uppsala,
Sweden



Bazaar, Gothenburg,
Sweden

Østre Havn/Stuhrs Brygge, Aalborg,
Denmark

Shopping centre, Nowy Sącz, Poland
In the Polish town of Nowy Sącz, Euro Mall Holding has developed a 17,300 m² shopping centre, consisting of a 5,000 m² hypermarket and specialty stores of about 12,300 m². The current occupancy rate is 98 %. Construction started in August 2008, and the centre is scheduled to open in October 2009.

Shopping centre, Jastrzębie, Poland
This project, consisting of a 43,300 m² shopping centre, will be executed by Atrium European Real Estate, with Euro Mall Holding as the project developer. Euro Mall Holding has entered into an agreement with Atrium European Real Estate regarding Euro Mall Holding's assistance for development, letting and construction management of the project on a fee basis. As part of the procedure to obtain a building permit for the project, negotiations are being held with the public authorities about the project infrastructure. The timing of construction startup has not yet been determined.

Bytom Retail Park, Bytom, Poland
Euro Mall Holding intends to develop a retail park with total leasable space of about 25,800 m² on its site at the Plejada Shopping Centre in Bytom, which is centrally located in the Katowice region. Construction of the project will be phased in step with letting. Letting efforts are ongoing, and construction will be started as space is let. A conditional sales agreement has been concluded for part of the site.

Fashion Arena Outlet Centre, Prague, Czech Republic
In Prague, the Group is developing a 25,000 m² factory outlet centre. The project is being developed in a joint venture

Project name	City/town	Segment	Floor space (m²)	TKD's ownership interest	Construction start/ expected construction start	Opening/ expected opening
Poland						
Stocznia multifunctional centre, Young City	Gdansk	Mixed	72,000	45%	2010	2013
Residential park, Bielany	Warsaw	Residential	60,000	100%	Autumn 2010	As units are completed
Tivoli Residential Park, Targówek	Warsaw	Residential	1,200	100%	Spring 2007	Autumn 2008
Tivoli Residential Park, Targówek	Warsaw	Services	5,700	100%	Autumn 2009	Autumn 2010
Poznan Warta	Poznan	Retail/ residential	50,000	100%	-	2010
Shopping centre, Tarnów	Tarnów	Retail	16,500	100%	Autumn 2008	November 2009
Shopping centre, Nowy Sącz	Nowy Sącz	Retail	17,300	100%	Mid-2008	October 2009
Shopping centre, Jastrzębie	Jastrzębie	Retail	43,300	[1] -	-	-
Bytom Retail Park	Bytom	Retail	25,800	100%	2009	As units are completed
Czech Republic						
Prague Airport Ruzyne II	Prague	Mixed	7,000	100%	2011	2012
Fashion Arena Outlet Centre	Prague	Retail	25,000	75%	Spring 2007	Phase 1: Nov. 2007 Phase 2: 2010
Sterboholy Retail Park	Prague	Retail	6,000	100%	2011	2012
Liberec Retail Park, II	Liberec	Retail	6,200	100%	Autumn 2010	Spring 2011
Most Retail Park	Most	Retail	8,400	100%	Autumn 2008	Phase 1: Spring 2009 Phase 2: Autumn 2011
Futurum Hradec Králové, extension	Hradec Králové	Retail	9,800	[2] 20 %	Spring 2010	Autumn 2011
Retail park, Teplice	Teplice	Retail	7,600	100%	Spring 2011	Autumn 2011
Shopping centre, Frýdek Místek	Frýdek Místek	Retail	19,100	100%	Autumn 2011	Autumn 2012
Slovakia						
Retail park, Prešov	Prešov	Retail	9,300	100%	Spring 2011	Autumn 2011
Euro Mall Holding, total floor space		**approx.**	**390,000**			

1) Based on fee income.
2) Euro Mall Holding's share of profit amounts to 50 %.

with an international collaboration partner with factory outlet experience. The first phase of about 18,000 m² opened on 15 November 2007. The current occupancy rate for the phase is 92 %. At present, negotiations with several potential Czech and international tenants for the remaining premises are ongoing. Following the keen interest shown by tenants in smaller tenancies in the factory outlet centre, the letting of premises comprised by the second 7,000 m² phase has begun. Construction is scheduled to start in 2009 once satisfactory pre-completion letting has been achieved. The second phase is projected to open in 2010. The centre is expected to be sold after startup and maturing.

Liberec Retail Park, phase II, Czech Republic
This project consists of a 17,600 m² retail park. The first 11,400 m² phase, which opened on 17 September 2008, has been sold and handed over to the investor. The second 6,200 m² phase is scheduled to open in spring 2011. The project has been sold to GE Real Estate Central Europe on the basis of forward funding.

Most Retail Park, Czech Republic
Euro Mall Holding is developing an 8,400 m² retail park in the Czech town of Most, to be built in phases. The first phase of 6,400 m² opened in April 2009, and the current occupancy rate for this phase is 83 %. The second phase is expected to be completed in autumn 2011.

Futurum Hradec Králové, extension, the Czech Republic
The Futurum Hradec Králové Shopping Centre, owned by a joint venture between GE Capital, Heitman and TK Development in which TK Development has a 20 % ownership interest, is to be extended by almost 10,000 m². Tenants have signed Heads of Terms for 64 % of the floor space. Construction is expected to start in spring 2010, and the opening is scheduled for autumn 2011.

Retail park, Teplice, Czech Republic
Euro Mall Holding has acquired plots of land in Teplice with a view to constructing a retail park of about 7,600 m². A building permit for the project has been obtained. Letting is ongoing, and construction is expected to start in spring 2011, with the opening scheduled for autumn 2011.

Shopping centre, Frýdek Místek, the Czech Republic
In the Czech town of Frýdek Místek, Euro Mall Holding has acquired a long-term option to buy a plot of land for the purpose of building a 19,100 m² shopping centre. Construction is expected to start in the course of 2011, with the handing-over scheduled for 2012.

Retail park, Prešov, Slovakia
Euro Mall Holding has acquired plots of land in Prešov with a view to constructing a retail park of about 9,300 m². A building permit has been granted for the project. Letting is ongoing, and construction is expected to start in spring 2011, with the opening scheduled for autumn 2011.

Investment properties

The Group's investment properties

Project name	City/town	Segment	Floor space*) (m²)	Ownership interest	Opening
Futurum Hradec Králové, the Czech Republic	Hradec Králové	Retail	18,300	20%	Nov. 2000
Germany	Lüdenscheid/Berlin	Residential/mixed	26,000	100%	1994-1998
Total investment properties			**44,300**		

*) incl. common areas

The Group's investment properties are included in the balance sheet under property, plant and equipment. The value of these properties is measured at fair value and amounted to DKK 368.3 million at 31 July 2009 against DKK 366.5 million at 31 January 2009.

Central Europe

Euro Mall Holding's investment property, Futurum Hradec Králové, had a carrying amount of DKK 155.4 million at 31 July 2009, based on a required rate of return of 7.0 % p.a., calculated on the basis of a discounted cash-flow model over a five-year period.

The investment property, is owned in a joint venture with GE Capital and Heitman. TK Development has access to a performance-based share of the value adjustments on part of the property, which has been included in the carrying amount. In the first half of 2009/10, the letting situation was satisfactory.

The value adjustment for the period under review amounts to DKK 2.1 million.

There are plans to extend the Futurum Hradec Králové Shopping Centre by almost 10,000 m². Construction is expected to start in spring 2010, and the opening is scheduled for autumn 2011.

Germany

The Group has five investment properties in Germany, of which a combined commercial and residential property is located in Lüdenscheid in the western part of the country, whereas the four remaining properties are residential rental properties on the outskirts of Berlin.

At 31 July 2009, the properties were recognized at DKK 212.9 million based on a required rate of return of 6.5 % p.a. calculated on the basis of a discounted cash-flow model over a ten-year period. The value adjustment for the period under review amounts to DKK 0.0 million.

Futurum Hradec Králové,
Czech Republic

FINANCIAL REVIEW

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and in accordance with additional Danish disclosure requirements for interim reports prepared by listed companies. No interim financial statements have been prepared for the Parent Company. The interim report is presented in DKK, which is the Parent Company's functional currency. The interim report has not been audited.

Accounting policies

With the exception of the changes mentioned below, the accounting policies have been applied consistently with those presented in the Annual Report for 2008/09. Reference is made to the Group's Annual Report for 2008/09 for a complete description of the accounting policies applied.

With effect from 1 February 2009, TK Development A/S has implemented the following new and amended financial reporting standards and interpretations issued by IFRIC: IFRS 2, Share-based Payment (January 2008), IFRS 8, Operating Segments (November 2006), IAS 1, Presentation of Financial Statements (September 2007 and February 2008), IAS 23, Borrowing Costs (March 2007), IAS 32, Financial Instruments: Presentation (February 2008), minor amendments to various standards as a result of IASB's Annual Improvement Project (May 2008) and IFRIC 13, Customer Loyalty Programmes (June 2007).

The implementation of new and amended financial reporting standards and interpretations has not impacted recognition and measurement.

The implementation of IFRS 8, Operating Segments, and IAS 1, Presentation of Financial Statements, has resulted in changes to the disclosures in the notes about segments and the presentation of primary statements, which now include a comprehensive income statement. The statement of changes in equity has been adjusted accordingly, with the comparative figures being restated to reflect these changes.

Compared to the Group's Annual Report for 2008/09, deposits in trust and escrow accounts have been reclassified. Such deposits were previously included in cash and cash equivalents, but are now presented in a separate line in the balance sheet. Comparative figures have been restated to reflect this reclassification.

Accounting estimates and assessments

The most significant accounting estimates and assessments made by Management in applying the Group's accounting policies are the same as those made in the preparation of the Annual Report for 2008/09. For a more detailed description, reference is therefore made to the Group's 2008/09 Annual Report.

Income statement

Revenue

The revenue for the first half of 2009/10 totalled DKK 1,177.7 million against DKK 288.7 million for the first half of 2008/09. A substantial amount of the revenue recorded in the first half of 2009/10 is attributable to the Group's multifunctional centre, Entré, Malmö, which was handed over to the investor in June 2009.

Gross margin

The gross margin for the first half of 2009/10 amounted to DKK 161.4 million against DKK 159.8 million in the first half of 2008/09. The gross margin includes value adjustments of investment properties in the amount of DKK 2.1 million against DKK 59.9 million in the first half of 2008/09.

The projects handed over are described in more detail above.

Staff costs and other external expenses

Staff costs and other external expenses amounted to DKK 74.2 million for the first half of 2009/10, a 10.8 % decline compared to the first half of 2008/09.

Staff costs totalled DKK 54.8 million in the first half of 2009/10, down by 8 % on the first half of 2008/09. The full impact of the adaptation of the organization to the current activity level will be realized in the course of 2009. The number of employees in the Group totalled 141 at 31 July 2009.

Other external expenses amounted to DKK 19.4 million against DKK 23.6 million in the first half of 2008/09.

Financing

In the first six months of 2009/10, the Group recorded net financing expenses of DKK 4.6 million against DKK 19.9 million in the same period the year before. The decline is due to the Group realizing the full impact of reducing interest-bearing debt not related to ongoing projects, as well as the general decline in the interest level.

Balance sheet

The Group's balance sheet total amounted to DKK 4,191.4 million at 31 July 2009, an increase of DKK 375.3 million, or 9.8 %, compared to 31 January 2009.

Goodwill
Goodwill amounted to DKK 33.3 million at 31 July 2009 and relates to the Group's Central European activities. There are no indications of any need to impair the value of goodwill.

Investment properties
The valuation of the Group's investment properties is made on the basis of a discounted cash-flow model, where future cash flows are discounted to net present value on the basis of a given return requirement. The valuation at 31 July 2009 is based on an unchanged required rate of return compared to 31 January 2009, amounting to 6.5 % for the German investment properties and 7 % for the Czech investment property. The value adjustment for the period under review amounts to DKK 2.1 million.

At 31 July 2009, the total value of the Group's investment properties constituted DKK 368.3 million, of which DKK 155.4 million relates to the Group's Central European investment property, and DKK 212.9 million relates to the German investment properties.

Deferred tax asset
The deferred tax asset in the balance sheet amounted to DKK 259.5 million at 31 July 2009. Based on existing budgets and profit forecasts for a five-year period, Management specifically assessed the valuation of the deferred tax asset.

Project portfolio
The total project portfolio grew by DKK 384.5 million compared to 31 January 2009, amounting to DKK 2,925.8 million at 31 July 2009. This growth is primarily attributable to the Group's ongoing construction of the Sillebroen shopping centre in Frederikssund, Denmark, and the shopping centres in Tarnów and Nowy Sącz in Poland.

Total prepayments based on forward-funding agreements amounted to DKK 313.0 million at 31 July 2009 against DKK 942.7 million at 31 January 2009. The decline should be viewed in relation to the handing-over of the Group's multifunctional centre, Entré Malmö, in the first half of 2009/10, where the sales agreement was based on forward funding. At 31 July 2009, forward funding represented 97 % of the gross carrying amount of sold projects.

Receivables
Total receivables amounted to DKK 417.3 million, an increase of DKK 79.9 million from 31 January 2009. This increase is primarily attributable to trade receivables.

Cash and cash equivalents
Cash and cash equivalents amounted to DKK 78.6 million at 31 July 2009, a decline of DKK 32.4 million from 31 January 2009. The decline is attributable to the use of cash resources for operations, debt repayments and investments in new projects.

Equity
At 31 July 2009, the Group's equity came to DKK 1,605.7 million, against DKK 1,506.0 million at 31 January 2009. The increase in equity since 31 January 2009 is due mainly to the profit recorded for the period and the net positive market-value adjustments after tax of DKK 29.2 million.

The solvency ratio amounts to 38.3 %.

Long-term liabilities
The Group's long-term liabilities represented DKK 157.2 million at 31 July 2009, the same level as at 31January 2009.

Short-term liabilities
Short-term liabilities represented DKK 2,428.5 million at 31 July 2009, a DKK 282.3 million increase from 31 January 2009.

Financial liabilities have been offset against trade receivables and tied-up cash and cash equivalents, to the extent that the Company has a right of setoff and also intends or is contractually obliged to realize assets and liabilities at the same time. At 31 July 2009, an amount of DKK 40.4 million was offset against tied-up cash.

The Group's short-term debt to credit institutions consists of operating and project credits. TK Development has entered into a general agreement with the Group's main banker about both operating and project credits. The agreement and conditions are renegotiated on an annual basis.

In addition, the Group has entered into project-financing agreements with various banks in Denmark and abroad. Project credits are usually granted with different terms to maturity, depending on the specific project. Of the project credits outstanding at 31 January 2009, credits worth DKK 426.9 million were due to mature in the 2009/10 financial year. Credits of about DKK 140 million, which are due to mature at the end of 2009, are still awaiting prolongation. Management is currently discussing the prolongation of these credits with the relevant creditors.

Cash flow statement

The cash flow statement shows negative cash flows from operating activities of DKK 320.5 million, negative cash flows from investing activities of DKK 0.2 million and positive cash flows from financing activities of DKK 283.4 million. The negative cash flows from operating activities are chiefly attributable to project investments, particularly the ongoing construction of several projects.

OTHER MATTERS

Quarterly reports

In order to improve the information value of the reports published by TK Development, the Supervisory Board resolved in April 2009 to issue quarterly reports in future, instead of interim announcements of quarterly results. The resolution will take effect from the third quarter of 2009/10, and the quarterly report for Q3 2009/10 is expected to be published on 18 December 2009.

Financial calendar

Quarterly report Q3 2009/10	18 December 2009
Preliminary announcement of financial statements 2009/10	22 April 2010
Annual Report 2009/10	12 May 2010

Financial targets

To provide for sufficient future financial resources, Management has adopted a liquidity target for the whole Group. In addition, Management has adopted a solvency target for the whole Group corresponding to a solvency ratio of minimum 30 %, calculated as the ratio of equity to total assets. The Group has undertaken a commitment towards its main banker to meet a liquidity target and a solvency target. Both targets were met during the period under review.

Other matters

For a more detailed review of other matters relating to the Group, including risk issues and the charges brought by the public prosecutor for serious economic crime, reference is made to the Group's Annual Report for 2008/09, which is available at the Group's website www.tk-development.dk.

STATEMENT BY THE SUPERVISORY AND EXECUTIVE BOARDS ON THE INTERIM REPORT

The Supervisory Board and the Executive Board have today considered and adopted the interim report for the period 1 February - 31 July 2009 for TK Development A/S.

The interim report, which has not been audited, is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports prepared by listed companies.

We consider the accounting policies applied to be appropriate, and, in our opinion, the interim report gives a true and fair view of the Group's financial position at 31 July 2009 and of the results of the Group's operations and cash flows for the period from 1 February 2009 to 31 July 2009.

We consider the Management's review to provide a fair presentation of the development in the Group's activities and financial affairs, the results for the period and the Group's overall financial position, and to present the most significant risks and elements of uncertainty to which the Group is exposed.

Aalborg, 29 September 2009

EXECUTIVE BOARD

Frede Clausen
President and Chief Executive Officer (CEO)

Robert Andersen
Executive Vice President

SUPERVISORY BOARD

Poul Lauritsen
Chairman

Torsten Erik Rasmussen
Deputy Chairman

Kurt Daell

Per Søndergaard Pedersen

Jesper Jarlbæk

Niels Roth

CONSOLIDATED FINANCIAL STATEMENT

Income statement

DKKm	**Half-year 2009/10**	Half-year 2008/09	Full-year 2008/09
Net revenue	**1,177.7**	288.7	1,052.4
External direct project costs	**-1,018.4**	-188.8	-735.1
Value adjustment of investment properties, net	**2.1**	59.9	57.7
Gross profit/loss	**161.4**	159.8	375.0
Other external expenses	**19.4**	23.6	46.7
Staff costs	**54.8**	59.6	120.6
Total	**74.2**	83.2	167.3
Profit/loss from ordinary activities before financing, depreciation and amortization	**87.2**	76.6	207.7
Depreciation, amortization and writedowns of long-term assets	**2.5**	2.9	6.0
Profit/loss from ordinary activities before financing	**84.7**	73.7	201.7
Income from investments in associates	**0.5**	0.1	-0.3
Financial income	**6.0**	36.2	61.5
Financial expenses	**-10.6**	-56.1	-94.9
Total	**-4.1**	-19.8	-33.7
Profit/loss before tax	**80.6**	53.9	168.0
Tax on profit/loss for the period	**12.4**	3.0	12.8
Profit/loss for the period	**68.2**	50.9	155.2
Earnings per share in DKK			
Earnings per share (EPS) of nom. DKK 20	**2.4**	1.8	5.5
Diluted earnings per share (EPS-D) of nom. DKK 20	**2.4**	1.8	5.5

Comprehensive income statement

Profit/loss for the period according to income statement	**68.2**	50.9	155.2
Foreign-exchange adjustments, foreign operations	**-0.2**	33.6	-32.6
Value adjustments of hedging instruments	**29.4**	0.0	-31.4
Tax on value adjustments of hedging instruments	**0.0**	-4.5	0.7
Value adjustment of available-for-sale-financial assets	**0.0**	0.0	-0.1
Comprehensive income statement for the period	**97.4**	80.0	61.8

Balance sheet

(DKKm)	**31.07.09**	31.01.09	31.07.08
ASSETS			
Long-term assets			
Goodwill	**33.3**	33.3	33.3
Intangible assets	**33.3**	33.3	33.3
Investment properties	**368.3**	366.5	368.9
Other fixtures and fittings, tools and equipment	**12.2**	14.3	13.8
Property, plant and equipment	**380.5**	380.8	382.7
Investments in associates	**24.9**	24.1	24.0
Other securities and investments	**1.3**	1.3	1.4
Deferred tax assets	**259.5**	265.7	260.0
Other long-term assets	**285.7**	291.1	285.4
Total long-term assets	**699.5**	705.2	701.4
Short-term assets			
Projects in progress or completed	**2,925.8**	2,541.3	2,178.7
Trade receivables	**237.4**	154.2	263.3
Receivables from associates	**7.7**	8.4	8.7
Contracted work in progress	**0.0**	3.7	0.0
Other receivables	**156.8**	160.3	250.7
Prepayments	**15.4**	10.8	12.5
Total receivables	**417.3**	337.4	535.2
Securities	**4.0**	5.0	4.0
Deposits in blocked and escrow accounts	**66.2**	116.2	358.9
Cash and cash equivalents	**78.6**	111.0	136.7
Total short-term assets	**3,491.9**	3,110.9	3,213.5
ASSETS	**4,191.4**	3,816.1	3,914.9

(DKKm)	**31.07.09**	31.01.09	31.07.08
LIABILITIES AND EQUITY			
Equity			
Share capital	**560.9**	560.9	560.9
Other reserves	**-7.1**	-36.3	86.2
Retained earnings	**1,151.9**	981.4	874.6
Total equity	**1,605.7**	1,506.0	1,521.7
Short- and long-term liabilities			
Credit institutions	**106.7**	107.2	319.0
Provisions	**22.5**	10.9	19.7
Deferred tax liabilities	**25.1**	43.3	53.3
Other debt	**2.9**	2.5	0.0
Total long-term liabilities	**157.2**	163.9	392.0
Credit institutions	**1,898.6**	1,639.2	1,395.2
Trade payables	**255.9**	224.0	272.8
Prepayments received from customers	**3.3**	0.0	47.3
Corporate income tax	**26.5**	26.8	46.5
Provisions	**14.1**	7.6	12.0
Other debt	**220.7**	234.7	216.8
Deferred income	**9.4**	13.9	10.6
Total short-term liabilities	**2,428.5**	2,146.2	2,001.2
Total short- and long-term liabilities	**2,585.7**	2,310.1	2,393.2
TOTAL LIABILITIES AND EQUITY	**4,191.4**	3,816.1	3,914.9

Statement of changes in equity

The share capital of TK Devlopment A/S is not divided into classes of shares and consists of 28,043,810 shares each with a nom. value of DKK 20 (nom. DKK 560,876,200).

(DKKm)	Share capital	Other re-serves	Retained earnings	Sharehold-ers' share of equity	Minority interests	Total equity
Equity at 1 February 2008	**560.9**	**57.1**	**821.9**	**1,439.9**	**93.9**	**1,533.8**
Comprehensive income for the period	0.0	29.1	50.9	80.0	0.0	80.0
Dividend	0.0	0.0	0.0	0.0	-20.0	-20.0
Share-based remuneration (warrants)	0.0	0.0	1.8	1.8	0.0	1.8
Disposal in connection with increased share in subsidiary	0.0	0.0	0.0	0.0	-73.9	-73.9
Equity at 31 July 2008	**560.9**	**86.2**	**874.6**	**1,521.7**	**0.0**	**1,521.7**
Comprehensive income for the period	0.0	-122.5	104.3	-18.2	0.0	-18.2
Share based remuneration (warrants)	0.0	0.0	2.5	2.5	0.0	2.5
Equity at 31 January 2009	**560.9**	**-36.3**	**981.4**	**1,506.0**	0.0	**1,506.0**
Comprehensive income for the period	0.0	29.2	68.2	97.4	0.0	97.4
Share-based remuneration (warrants)	0.0	0.0	2.3	2.3	0.0	2.3
Equity at 31 July 2009	**560.9**	**-7.1**	**1,051.9**	**1,605.7**	0.0	**1,605.7**

Cash flow statement

(DKKm)	**Half-year 2009/10**	Half-year 2008/09	Full-year 2008/09
Profit/loss before financing	**84.7**	73.7	201.7
Adjustments for non-cash items:			
Value adjustments, investment properties	**-2.1**	-59.9	-57.7
Depreciation and amortization	**2.4**	3.0	5.6
Provisions	**17.8**	0.0	-14.5
Market-value adjustments	**-34.0**	-17.8	-9.4
Increase/decrease in investments in projects, etc.	**-263.0**	-50.6	-577.2
Increase/decrease in receivables	**-79.3**	-11,6	118.2
Increase/decrease in payables and other debt	**31.5**	-117.0	-136.6
Cash flows from operating activities before net financials and tax	**-242.0**	-180.2	-469.9
Interest paid, etc.	**-60.6**	-61.2	-139.9
Interest received, etc.	**4.2**	25.1	23.4
Corporate income tax paid	**-22.1**	-21.7	-51.2
Cash flows from operating activities	**-320.5**	-238.0	-637.6
Investments in equipment, fixtures and fittings	**-0.7**	-3.4	-8.3
Sale of equipment fixtures and fittings	**0.5**	1.4	1.1
Sale of investment properties	**0.0**	276.1	276.0
Increase of ownership in Euro Mall Holding A/S	**0.0**	-95.9	-96.8
Purchase of securities and investments	**0.0**	-0.2	-0.5
Sale of securities and investments	**0.0**	7.6	7.6
Cash flows from investing activities	**-0.2**	185.6	179.1
Repayment, long-term financing	**-0.6**	-55.6	-56.9
Raising of project financing	**356.7**	15.2	229.1
Reduction of project financing/repayments, credit institutions	**-122.7**	-69.4	-114.5
Changes in deposits on blocked and escrow accounts	**50.0**	63.2	305.9
Cash flows from financing activities	**283.4**	-46.6	363.6
Cash flows for the year	**-37.3**	-99.0	-94.9
Cash and cash equivalents, beginning of year	**111.0**	222.3	222.3
Market-value adjustment of cash and cash equivalents	**4.9**	13.4	-16.4
Cash and cash equivalents at year-end	**78.6**	136.7	111.0

The figures in the cash flow statement cannot be inferred from the Consolidated Financial Statements alone.

Notes

Note 1. Segment information

For the purposes of TK Development's internal reporting, the Group is split into two business units, viz. TKD Nordeuropa and Euro Mall Holding, and the remaining business activities in TK Development, the Parent Company. The segment information has been restated accordingly.

(DKKm)	TKD Nordeuropa	Euro Mall Holding	TKD	Elimination	Total
31 July 2009					
Net revenue	**1,126.9**	**45.4**	**5.4**	**0.0**	**1,177.7**
Profit/loss for the period	**63.9**	**2.4**	**1.9**	**0.0**	**68.2**
Segment assets	**1,723.6**	**1,845.4**	**2,001.6**	**-1,379.2**	**4,191.4**
Segment liabilities	**1,304.6**	**1,077.8**	**395.9**	**-192.6**	**2,285.7**

All amounts in DKKm	TKD Nordeuropa	Euro Mall Hold-ing	TKD	Elimination	Total
31 July 2008					
Net revenue	241.4	29.0	18.3	0.0	288.7
Profit/loss for the period	13.1	51.8	-14.0	0.0	50.9
Segment assets	1,379.6	1,908.7	2,032.2	-1,405.6	3,914.9
Segment liabilities	968.8	1,092.3	511.3	-180.2	2,392.2

Note 2. External direct project costs

(DKKm)	**Half year 2009/10**	Half year 2008/09	Full year 2008/09
Project costs	**1,018.4**	188.8	746.7
Impairment losses on projects in progress and completed projects	**0.0**	0.0	11.2
Reversal of impairment losses on projects in progress and completed projects	**0.0**	0.0	-22.8
External direct project costs, total	**1,018.4**	188.8	735.1

Note 3. Share-based remuneration

The Group has two existing incentive schemes. Reference is made to the annual report 2008/09.

The outstanding warrants can be specified as follows

Number of warrants	**31 July 2009**	31 Jan. 2009	31 July 2008
Outstanding warrants, beginning of the year	**1,376,000**	690,000	690,000
Allocated during the financial year	**0**	698,000	698,000
Lapsed due to termination of employment	**0**	-12,000	0
Exercised during the financial year	**0**	0	0
Outstanding warrants, end of period	**1,376,000**	1,376,000	1,388,000
Number of warrants exercisable at the balance sheet date	**690,000**	**0**	**0**
Share-based remuneration recognized in the income statement	**2.3**	**4.3**	**1.8**

Note 4. Changes in contingent assets and contingent liabilities.

There has been no significant changes in contingent assets and contingent liabilities since the last published annual report.

Note 5. Transactions with related parties

The Company has no related parties with a controlling interest.

Related parties with significant influence in the Company and the Group are specified below:
- Supervisory Board and Executive Board (and their related parties)
- Subsidiaries, joint ventures, associates and group enterprises.

Supervisory Board and Executive Board (and their related parties)	**31.7.2009**	31.1.2009	31.7.2008
Holding of shares, in terms of number	**2,382,934**	2,382,934	2,001,234
Obligation towards Executive Board, employee bond	**1.5**	1.1	1.2
Joint ventures, associates and group enterprises			
Fee from joint ventures	**0.3**	0.9	0.6
Interest income from joint ventures	**1.8**	4.0	11.7
Interest expenses, joint ventures	**-0.2**	-8.1	-3.9
Interest income from associates	**0.2**	0.4	0.2
Receivables from associates	**7.7**	8.4	8.7
Receivables from joint ventures	**140.0**	102.3	157.3
Payable to joint ventures	**109.3**	106.5	119.8