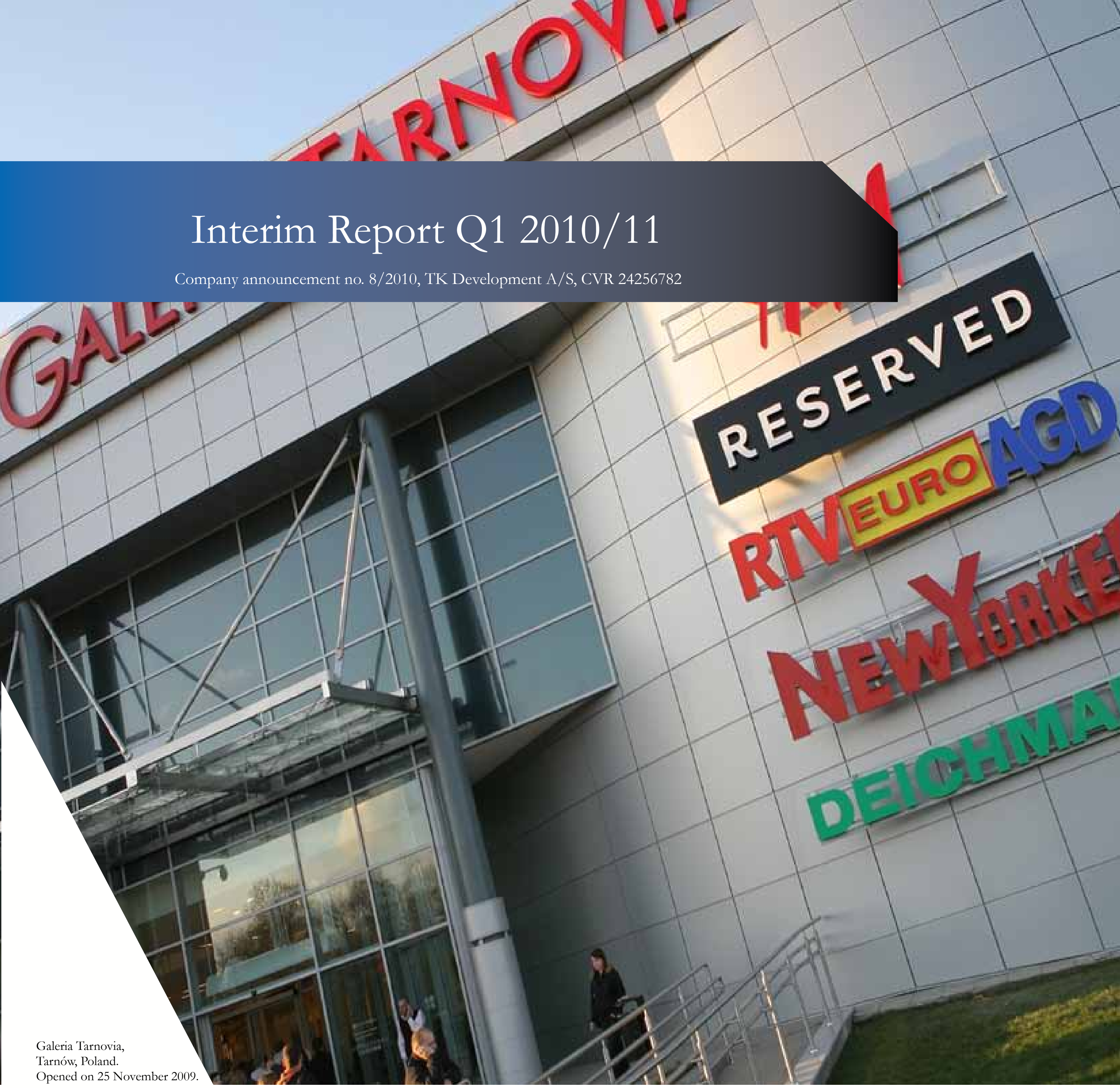
Interim Report Q1 2010/11

Company announcement no. 8/2010, TK Development A/S, CVR 24256782



Galeria Tarnovia,
Tarnów, Poland.
Opened on 25 November 2009.

30 June 2010

TK•development

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SUMMARY

- TK Development recorded a profit of DKK 19.5 million after tax, compared to a loss of DKK 12.0 million in the same period the year before.

- Consolidated equity totalled DKK 1,626.2 million at 30 April 2010, corresponding to a solvency ratio of 35.5 %.

- The Group's 10,900 m² retail park in Uppsala, Sweden, was completed and opened fully let in March 2010. The retail park was sold, based on forward funding, and handed over to the investor, an institutional fund of German IVG Funds, in April 2010.

- The Group's Sillebroen shopping centre in Frederikssund, Denmark, has been completed and opened as planned on 25 March 2010. The shopping centre has a current occupancy rate of 91 %, and negotiations with tenants for the remaining premises are ongoing. The centre enjoyed a successful opening and a satisfactory influx of customers.

- Based on satisfactory pre-construction letting, TK Development began building the second 7,000 m² phase of the Fashion Arena Outlet Center, Prague, the Czech Republic, in April 2010.

- The Group's project portfolio comprised 946,000 m², the same level as at 31 January 2010.

- At the beginning of 2010, the market situation developed favourably relative to the previous period. This is reflected by cautious optimism on the part of investors and a higher propensity to invest.

- Management believes that market price adjustments are coming to an end, meaning that land prices, construction costs, rent levels and property prices have stabilized at a new level. The new price levels underpin the profitability of future property development, and new projects in the portfolio are thus expected to generate a normal profit.

- At the Company's Annual General Meeting on 25 May 2010, the longstanding Chairman of the Company's Supervisory Board, Poul Lauritsen, resigned from his position. Jens Erik Christensen was elected to take the vacant seat. The Supervisory Board subsequently held a board meeting for the purpose of electing officers and appointed Niels Roth as the new Chairman.

- An Extraordinary General Meeting will be held on 1 July 2010, at which the Supervisory Board will recommend that a capital increase be implemented in the form of a rights issue with total gross proceeds of DKK 210.3 million. This will strengthen the Group's financial platform and allow proactive use of the earnings potential offered by existing projects and new project opportunities. The capital increase is expected to be implemented in the course of August 2010.

- The Group's major shareholders and a few major private and institutional investors have made conditional advance subscription and underwriting commitments in respect of the whole capital increase.

- For the 2010/11 financial year, the Group still expects to generate a profit after tax of about DKK 100 million.

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

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 "Risk issues" in the Group's 2009/10 Annual Report.

CONSOLIDATED FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKKm	**3 mths. 2010/11**	3 mths. 2009/10	Full-year 2009/10
Financial highlights:			
Net revenue	**159.7**	49.6	1,369.9
Value adjustment, investment properties	**1.5**	3.5	-10.9
Gross profit/loss	**67.2**	25.6	200.5
Profit/loss from ordinary activities before financing	**34.5**	-11.7	57.5
Financing, etc.	**-8.8**	-3.8	-17.9
Profit/loss before tax	**26.4**	-15.5	39.4
Consolidated profit/loss	**19.5**	-12.0	25.4
Shareholders' share of profit/loss for the year	**19.5**	-12.0	25.4
Balance sheet total	**4,583.1**	3,956.4	4,377.3
Property, plant and equipment	**365.5**	383.3	364.3
of which investment properties	**356.6**	369.8	355.1
Carrying amount of project portfolio	**3,380.5**	2,773.9	3,249.5
of which total project portfolio	**3,380.5**	2,776.5	3,253.5
of which prepayments received from customers	**0.0**	-2.6	-4.0
Contracted work in progress	**18.0**	0.0	17.8
Equity	**1,626.2**	1,512.1	1,593.4
Cash flows from operating activities	**-126.7**	-158.2	-582.8
Net interest-bearing debt, end of year	**2,270.0**	1,705.4	2,178.9
Key ratios:			
Return on equity (ROE) *)	**4.8 %**	-3.2 %	1.6 %
Earnings before interest and tax (EBIT margin)	**21.6 %**	-23.6 %	4.2 %
Solvency ratio (based on equity)	**35.5 %**	38.2 %	36.4 %
Equity value (nom. DKK 20)	**58.0**	53.9	56.8
Earnings per share (EPS-D) of nom. DKK 20	**0.7**	-0.4	0.9
Dividend (in DKK per share)	**0.0**	0.0	0.0
Listed price of shares (nom. DKK 20)	**28**	24	29
Key ratios adjusted for warrants:			
Return on equity (ROE) *)	**4.8 %**	-3.2 %	1.6 %
Solvency ratio (based on equity)	**35.5 %**	38.2 %	36.4 %
Equity value (nom. DKK 20)	**58.0**	53.9	56.8
Diluted earnings per share (EPS-D) of nom. DKK 20	**0.7**	-0.4	0.9

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.

MANAGEMENT'S REVIEW

Q1 2010/11

TK Development recorded a profit of DKK 19.5 million after tax in Q1 2010/11, compared to a loss of DKK 12.0 million in the corresponding period the year before.

TKD Nordeuropa's profit after tax amounted to DKK 11.4 million against a loss of DKK 8.9 million in the same period the year before. Euro Mall Holding's profit after tax amounted to DKK 5.3 million compared to DKK 7.2 million in the same period the year before. The profit after tax on the remaining Group activities amounted to DKK 2.5 million against a loss of DKK 10.3 million in the same period the year before.

The balance sheet total amounted to DKK 4,583.1 million at 30 April 2010 against DKK 4,377.3 million at 31 January 2010. Consolidated equity totalled DKK 1,626.2 million, and the solvency ratio stood at 35.5 %.

Handed-over projects

In the first quarter of 2010/11, the Group handed over projects of about 11,000 m².

Retail park, Uppsala, Sweden
TKD Nordeuropa has developed and constructed a 10,900 m² retail park in Uppsala, Sweden. The retail park has been sold to an institutional fund of German IVG Funds on the basis of forward funding. The retail park opened fully let in March 2010 and was handed over to the investor in April 2010.

Tivoli Residential Park, Targówek, Warsaw, Poland
In autumn 2008, the Group completed its first housing project in Poland. The project consists of 280 apartments sold as owner-occupied units, of which the majority were handed over to the new owners in previous financial years. The remaining four residential units were handed over to the buyers in Q1 2010/11.

Progress in the Group's projects

TK Development continues to focus on executing existing projects in the portfolio, as well as on securing satisfactory pre-construction letting or sales. This has ensured sustained good project progress and further optimization of the individual projects. Although earnings on part of the Group's existing project portfolio are under pressure from the economic downturn and its impact on market conditions, lower construction costs will partially offset this effect.

The Group's shopping centre, Sillebroen, in Frederikssund, Denmark, has been completed and opened as planned on 25 March 2010. The shopping centre has a current occupancy rate of 91 %, and negotiations with tenants for the remaining premises are ongoing. The centre enjoyed a successful opening and a satisfactory influx of customers.

The Group's current portfolio includes several completed, cash-flow-generating projects that are ready for sale. The operation of these completed projects, which largely consist of shopping centres, is proceeding satisfactorily.

The Group's remaining retail projects on which construction is already ongoing or about to start are still 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.

In Poland, the construction of 3,500 m² of office space in the Tivoli Residential Park, Warsaw, started in spring 2010. The project has been sold to a user, based on forward funding.

Based on satisfactory pre-construction letting, TK Development began building the second 7,000 m² phase of the Fashion Arena Outlet Center, Prague, the Czech Republic, in April 2010.

Market conditions

As a result of the economic crisis, the Group has faced difficult market conditions in the past few years.

The financial markets have been subject to uncertainty, with credit institutions being extremely reluctant to provide loans for financing real property or requiring high equity contributions to the individual projects from both project developers and investors.

The economic downturn has caused land and construction prices to drop continuously over the past few years, but with great variations from project to project and country to country.

The Group has experienced slackened demand for rental space in recent years, with tenants taking longer to make lease decisions. Lower private consumption and the consequent impacts have been putting pressure on rent levels for some time.

The investment climate in the past few years has been characterized by uncertainty about real property pricing due to the low number of completed property deals in the Group's markets. This has resulted in a general wait-and-see attitude among investors.

At the beginning of 2010, the market situation developed favourably relative to the previous period.

In the letting market, tenants are focusing increasingly on location, which means project location is even more critical than in the past. Rent levels in the retail segment are expected to be stable in the period ahead. The Group's projects are still attracting a fair amount of interest from tenants, particularly retail projects on which construction is already ongoing or about to start. During the period under review, the Group concluded several lease agreements for such projects.

At the beginning of 2010, the general investment climate was characterized by cautious optimism and a higher propensity to invest.

Management finds that land prices will continue to fluctuate greatly depending on location and use. The level of construction costs appears to be stabilizing, with some variation from country to country.

Generally, the Group believes that market price adjustments are coming to an end, meaning that land prices, construction costs, rent levels and property prices have stabilized at a new level. The new price levels underpin the profitability of future property development, and new projects in the portfolio are thus expected to generate a normal profit.

Further project opportunities

In recent years, the market conditions have opened up new project opportunities. Management is currently assessing specific new project opportunities, and the Group expects to enter into agreements regarding several of these projects.

Moreover, TK Development has experienced an increase in the opportunities for entering into long-term option agreements for land on favourable terms. To underpin the Group's long-term earnings potential, TK Development is 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 enable the best possible project preparation before construction startup, including to secure a high occupancy rate.

The market conditions in recent years have also opened up alternative earnings possibilities. These options include taking over competing development projects or making the Group's core competencies available to credit institutions with distressed projects that can be completed within a relatively short period of time.

Increase of capital base – to strengthen the Group's financial platform

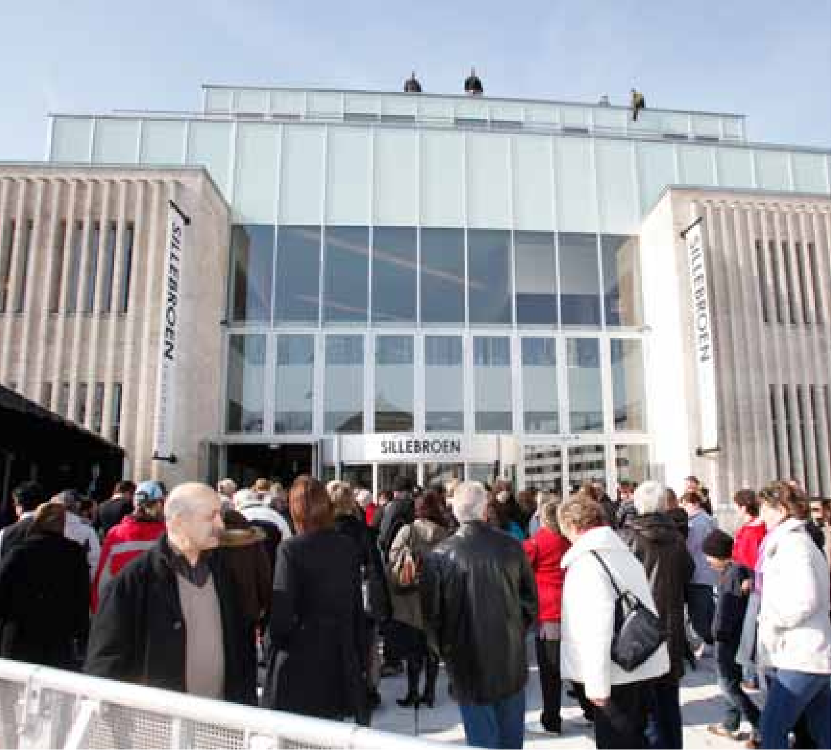
Management reviews the Group's capital structure on a regular basis, as well as the need for any adjustments. Management's overall aim is to provide a capital structure that supports the Group's long-term growth, while at the same time ensuring the best possible relation between equity and loan capital and thus maximizing the return for the Company's shareholders.

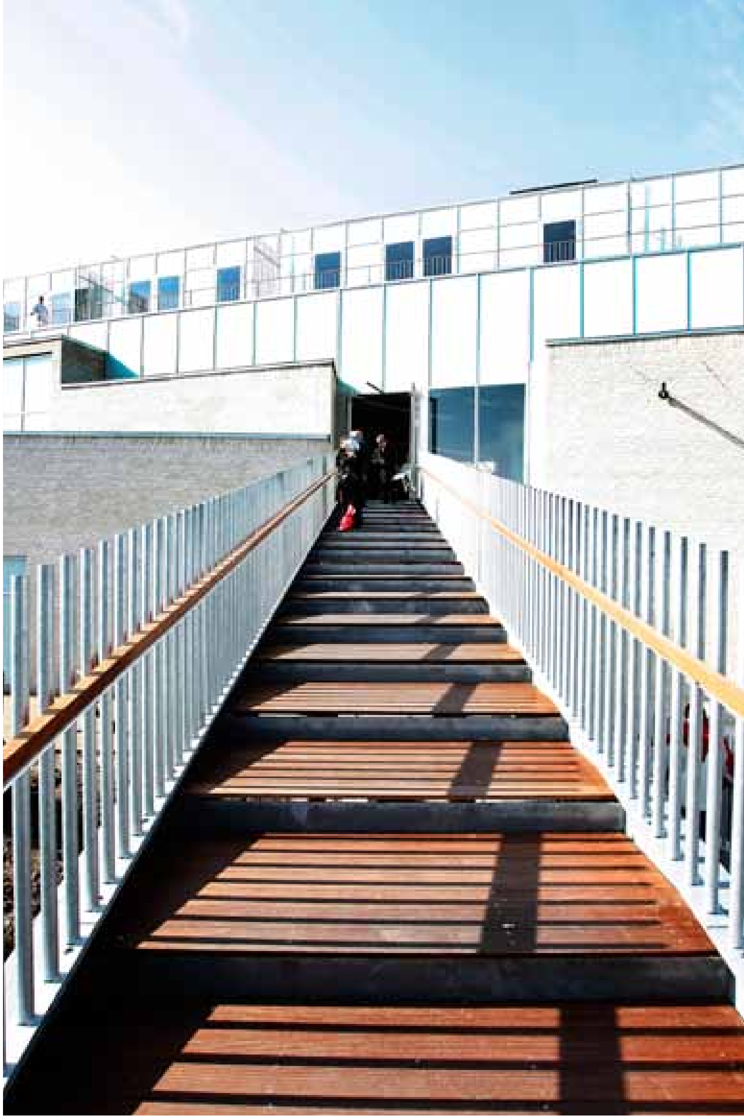
The Group has pursued the same business model for several years and will not change it as a result of the capital increase mentioned below. Management believes that property development will continue to provide a viable business platform in future, as long as opportunities and risks are dealt with in a professional and proactive manner. Therefore, Management would like to actively exploit this potential by pursuing both its existing projects and new project opportunities.

Management expects the Group's present cash resources and equity capital base to be sufficient to execute the projects in progress, also without selling any of the completed projects. Moreover, it is expected that the projects which have been fully financed, either by bank loans or by forward funding, can be executed. In order also to initiate the development and construction of additional projects and thus exploit the project opportunities in the present market, Management assesses that a capital injection of about DKK 200 million will be necessary and will provide an opportunity to increase shareholder returns. The Group bases these expectations on several specific projects for which it would like to secure the rights at the current price level. Management expects that this will help the Group gain faster access to project opportunities with a higher anticipated return than that offered by most of the existing ongoing projects in the portfolio. The scope of additional projects initiated will, apart from the capital injection, depend on the future sale of completed projects, general market conditions, etc.

As mentioned in the Group's Annual Report for 2009/10, Management wishes to strengthen the capital base and procure financial backing for growth. Therefore, the Supervisory Board recommends the adoption of a proposal at an Extraordinary General Meeting for a capital increase in the form of a rights issue with total gross proceeds of DKK 210.3 million and expected net proceeds of about DKK 198 million. It is recommended that the rights issue be implemented in the ratio 1:2, which means that for every two shares held, a shareholder will be entitled to subscribe for one new share at a price of DKK 15.

For technical reasons in relation to company law, a resolution on a capital reduction will have to be adopted immediately



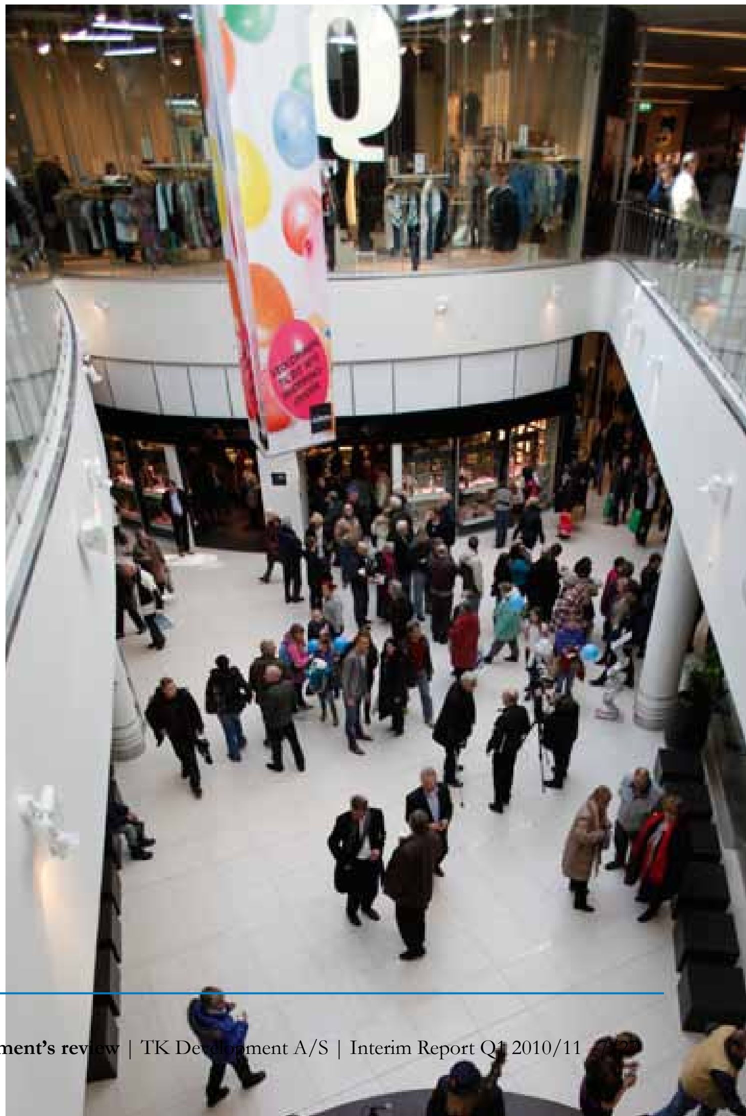


Grand Opening of Sillebroen

On 25 March 2010, TK Development opened the doors to North Zealand's largest shopping centre. Sillebroen's 25,000 m^2 stores link up the S-train station with the pedestrian street in the centre of Frederikssund.

The occupancy rate is 91 %, and the numerous store tenants include strong brands such as Hennes & Mauritz, Kvickly, Fakta, FONA, Matas, Tøjeksperten, Wagner and Synoptik – to mention just a few.

Welcome to inspiration at www.sillebroen.dk.



before the resolution on the planned capital increase can be adopted. The capital reduction will involve an equal write-down of all shares from DKK 20 to DKK 15. The amount of the capital reduction will be DKK 140.2 million, which will be allocated to a special fund under equity. Subsequently, this special fund can only be used following a resolution to this effect at a General Meeting. The resolutions on the planned capital reduction and subsequent capital increase are interdependent and will only be carried out if both resolutions are adopted.

The Group's major shareholders and a few major private and institutional investors have made conditional advance subscription and underwriting commitments in respect of the whole capital increase.

The capital increase is expected to be implemented in the course of August 2010.

Incentive scheme launched

At the Annual General Meeting on 25 May 2010, the Supervisory Board of TK Development was authorized to issue warrants for a total of up to nominally DKK 8,000,000 (400,000 shares of DKK 20 each) to the Executive Board and other executive staff members. On 4 June 2010, the Supervisory Board decided to exercise this authorization, and therefore 100,000 warrants have been granted to the Executive Board and 294,000 warrants to 26 other executive staff members. Thus, a total of 394,000 warrants have been allocated. The aim of allocating warrants is to forge a link between the individual staff member's efforts and long-term value creation in the Group. For a more detailed description of the incentive scheme, reference is made to Company announcement no. 7/2010.

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 2010/11

Based on Management's market expectations in the current financial year, the sales already completed and the potential of the existing project portfolio, with several completed projects being ready for sale, Management still expects an increased activity level for 2010/11 compared to 2009/10 and to generate a profit after tax of about DKK 100 million.

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 "Risk issues" in the Group's 2009/10 Annual Report.

The Group's project portfolio

Project portfolio status

The Group's project portfolio comprised 946,000 m² at 30 April 2010. The project portfolio consists of sold projects of 135,000 m² and of remaining projects of 811,000 m². At 31 January 2010, the Group's project portfolio comprised 957,000 m².

The development in the Group's project portfolio is outlined in the following table:

DKKm	31 Jan. 2009	31 Jan. 2010	31 April 2010
Sold			
Completed	0	0	0
In progress	4	2	15
Not initiated	41	12	11
Total	**45**	**14**	**26**
Remaining			
Completed	565	1,352	1,987
In progress	813	720	186
Not initiated	1,118	1,164	1,110
Total	**2,496**	**3,236**	**3,283**
Net project portfolio	**2,541**	**3,250**	**3,309**
Forward funding	943	351	311
Gross project portfolio	3,484	3,601	3,620
Forward funding in % of gross carrying amount of sold projects	**95.4 %**	**96.2 %**	**92.2 %**

Table 1

By means of forward funding, the Group continuously seeks to reduce the funds tied up in the portfolio of sold projects. Compared to 31 January 2010, prepayments under forward–funding agreements have been reduced following the handover of the Group's 10,900 m² retail park in Uppsala, Sweden, sold on the basis of forward funding.

As appears from the table above, the carrying amount of remaining completed projects increased substantially during the period under review. This increase is attributable to the recent opening of the Group's Sillebroen shopping centre in Frederikssund, Denmark.

The development of the Group's project portfolio is shown below (in square metres):

('000) m²	31 Jan. 2009	31 Jan. 2010	31 April 2010
Sold			
Completed	0	0	0
In progress	56	25	14
Not initiated	127	121	121
Total	**183**	**146**	**135**
Remaining			
Completed	35	87	115
In progress	103	60	39
Not initiated	639	664	657
Total	**777**	**811**	**811**
Project portfolio	**960**	**957**	**946**
Number of projects	**63**	**66**	**65**

Table 2

The table below shows the distribution of the carrying amounts of projects in the portfolio at 30 April 2010 for the two business units.

Projects at 30 April 2010 DKKm	TKD Nord-europa	Euro Mall Holding	Group, total *)	Per cent of total
Sold				
Completed	0	0	0	0.0 %
In progress	15	0	15	0.5 %
Not initiated	7	4	11	0.3 %
Total	**22**	**4**	**26**	**0.8 %**
Remaining				
Completed	997	990	1,987	60.0 %
In progress	121	65	186	5.6 %
Not initiated	467	643	1,110	33.6 %
Total	**1,585**	**1,698**	**3,283**	**99.2 %**
Project portfolio	**1,607**	**1,702**	**3,309**	**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. The remaining part of the Group has no development projects.

Projects at 30 April 2010 ('000) m²	TKD Nord-europa	Euro Mall Holding	Group, total *)	Per cent of total
Sold				
Completed	0	0	0	0.0 %
In progress	14	0	14	1.5 %
Not initiated	7	114	121	12.8 %
Total	**21**	**114**	**135**	**14.3 %**
Remaining				
Completed	56	59	115	12.1 %
In progress	32	7	39	4.1 %
Not initiated	390	267	657	69.5 %
Total	**478**	**333**	**811**	**85.7 %**
Project portfolio	**499**	**447**	**946**	**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.

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.

Project portfolio

The development potential of the project portfolio represented 499,000 m² at 30 April 2010, of which sold projects accounted for 21,000 m² and remaining projects for 478,000 m². The project portfolio had a total development potential of 510,000 m² at 31 January 2010.

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 in March 2008, and the current occupancy rate is 68 %. Hugo Boss opened its first Scandinavian factory outlet store in the Premier Outlets Centre 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
TKD Nordeuropa owns an attractively located project 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.

Sillebroen, shopping centre, Frederikssund, Denmark
In Frederikssund, TKD Nordeuropa has constructed a shopping centre with a total floor space of about 28,000 m². The shopping centre comprises supermarket units of about 5,000 m² and speciality stores and restaurants of about 20,000 m². In addition, the project includes about 3,000 m² of residential space. The occupancy rate has reached 91 %, and the tenants include Kvickly, Fakta, Hennes & Mauritz, Synoptik, Matas, Skoringen, Deichmann and Vero Moda. The centre opened in March 2010. A multi-storey car park with about 800 parking spaces has been established at the centre. An agreement has been made regarding the sale to a private investor of options to build the residential space.

Shopping centre, Esbjerg, Denmark
The Group and DSB Ejendomsudvikling A/S have progressed far in the new project development on the railway land at Esbjerg station, Denmark. The plan is for TK Development to build a 28,000 m² shopping centre. The local planning process has been initiated, and the final local plan is expected to be available in autumn 2010.

Århus South, phase II, Denmark
In Århus, the Group owns an area for developing a 5,300 m² retail project. The project consists of two phases, of which the first completed phase of about 2,500 m² was handed over in a previous financial year to the investors: a property company and a user. Construction of the second, 2,800 m² 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 through a company jointly owned with Frederikshavn Maritime Erhvervspark on a 50/50 basis. The area was acquired by the jointly owned company, with payment being effected for the development rights acquired in step with the development and execution of specific projects. The local plan for part of the area allows for the construction of about 8,000 m² of residential space. 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, now fully let. The retail park has been completed and handed over to the tenants.

Retail park, Østergade, Brønderslev, Denmark
Following the handover of a Føtex supermarket to Dansk Supermarked and a petrol station to OK Benzin, this project comprises retail premises of about 1,100 m², let to Punkt 1 and an amusement arcade operator.

Retail park, Mejlstedgade, Brønderslev, Denmark
After handing over the Føtex supermarket to Dansk Supermarked in the Group's above-mentioned retail park at Østergade, Brønderslev, the Group has taken over the previous 2,400 m² Føtex property, which is to be let 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 an extension of about 1,400 m² and sell it to an owner-occupant.

The Kulan commercial district, 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 2012.

Kofoten, Kristianstad, Sweden
TKD Nordeuropa owns a property in Kristianstad. Following

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 30 April 2010.

In terms of carrying amount, TKD Nordeuropa's five largest projects represented a total of DKK 1,072.0 million at 30 April 2010.

Project name	City/town	Segment	Floor space (m²)	TKD's ownership interest	Construction start/ expected construction start	Opening/ expected opening
Denmark						
Premier Outlets Center	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 %	2011	2013
Amerika Plads, lot A	Copenhagen	Office	11,000	50 %	2011	2013
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
Shopping centre, Esbjerg	Esbjerg	Retail	28,000	100 %	2010/11	2012/13
Århus South, phase II	Århus	Retail	2,800	100 %	2011	2011
Ejby Industrivej	Copenhagen	Office	12,900	100 %	2010	2011
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, Østergade	Brønderslev	Retail	1,100	100 %	Autumn 2008	Mid-2009
Retail park, Mejlstedgade	Brønderslev	Retail	2,400	100 %	-	-
Vasevej	Birkerød	Mixed	4,400	100 %	-	-
Sweden						
Handelskvarteret Kulan	Gothenburg	Mixed	45,000	100 %	2012	2014
Retail park, Karlstad	Karlstad	Retail	15,000	100 %	End-2011	End-2012
Retail park, Söderhamn	Söderhamn	Retail	10,000	100 %	Mid-2011	Mid-2012
Retail park, Kofoten, Kristianstad	Kristianstad	Retail	6,200	100 %	Mid-2008	Mid-2011
Retail park, Enebyängen, Danderyd	Danderyd	Retail	14,300	100 %	Autumn 2009	Autumn 2010/ spring 2012
Finland						
Pirkkala Retail Park, phase II	Tammerfors	Retail	5,500	100 %	End-2010	End-2011
Kaarina Retail Park	Turku	Retail	7,500	100 %	End-2010	Mid-2011
Baltic States						
DomusPro Retail Park	Vilnius	Retail	13,600	100 %	-	-
Milgravja Street	Riga	Residential	10,400	50 %	-	-
Ulmana Retail Park	Riga	Retail	12,700	100 %	-	-
TKD Nordeuropa, total floor space		**approx.**	**409,000**			

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

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 mid-2011.

Retail park, Enebyängen, Danderyd, Sweden
In the municipality of Danderyd near Stockholm, TKD Nordeuropa is building a 14,300 m² retail park. The lease agreements concluded include a 4,300 m² lease with supermarket operator Coop Extra, a 4,000 m² lease with a furniture store and a lease with Plantagen. The project has been sold to the German investment fund Commerz Real. The total selling price is expected to be in the SEK 280 million range, based on forward funding. The current occupancy rate is 99 %, and construction started in November 2009. The project will be built in two phases, the first consisting of nine stores to open in October 2010, and the second consisting of Plantagen to open in spring 2012.

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 about 13,000 m², and negotiations with potential users/tenants are ongoing.

DomusPro Retail Park, Vilnius, Lithuania
TKD Nordeuropa owns a plot of land in Vilnius reserved for building a 13,600 m² retail park. The Group has postponed the startup of construction until the project has been sold 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 and in Poland, also the residential segment.

Project portfolio

The development potential of the project portfolio represented 447,000 m² at 30 April 2010, of which sold projects accounted for 114,000 m² and remaining projects for 333,000 m². The project portfolio had a total development potential of 447,000 m² at 31 January 2010.

Projects

Stocznia Multifunctional Centre, Young City, Gdansk, Poland
Based on current plans, this multifunctional centre in Gdansk, Poland, will have total premises of about 61,000 m², to be developed in a joint venture with Atrium European Real Estate. The centre will comprise retail, restaurant and leisure facilities. Two previously planned residential towers totalling about 22,000 m² and the 11,000 m² office project 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 2010. 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 at the end of 2010, once the relevant authority approvals are in place and the pre-construction sale has reached a satisfactory level, with handover scheduled for 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, service/office space, Targówek, Warsaw, Poland
A building permit has been granted for the construction of about 5,600 m² of office/service space on the land owned by Euro Mall Holding in the Targówek area in Warsaw. The Group has entered into an agreement with a user regarding the sale of about 3,500 m² of these premises. The sales agreement is based on forward funding. Construction started in spring 2010, and the buildings are scheduled for completion in mid-2011.

The Galeria Tarnovia Shopping Centre, Tarnów, Poland
In the Polish town of Tarnów, Euro Mall Holding has constructed a 16,500 m² shopping centre, comprising a supermarket of about 2,700 m² and specialty stores of about 13,800 m². The fully-let shopping centre opened in November 2009 as planned.

The Galeria Sandecja 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 centre opened fully let in October 2009.

Project outline

The outline below lists the key projects of Euro Mall Holding'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 30 April 2010. In terms of carrying amount, Euro Mall Holding's five largest projects represented a total of DKK 1,410.7 million at 30 April 2010.

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	61,000	45 %	2011	2013
Residential Park, Bielany	Warsaw	Residential/ Service	60,000	100 %	End 2010	As units are completed
Tivoli Residential Park, Targówek	Warsaw	Services/ Offices	5,600	100 %	Spring 2010	Mid-2011
Poznan Warta	Poznan	Retail/ residential	50,000	100 %	-	-
Galeria Tarnovia, Tarnów	Tarnów	Retail	16,500	100 %	Autumn 2008	November 2009
Galeria Sandecja, 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 %	As units are completed	As units are completed
Czech Republic						
Prague Airport Ruzyne II	Prague	Mixed	7,000	100 %	2013	2013
Fashion Arena Outlet Centre	Prague	Retail	25,000	75 %	Spring 2007	Phase 1: Nov. 2007 Phase 2: Autumn 2010
Sterboholy Retail Park	Prague	Retail	6,000	100 %	2013	2013
Liberec Retail Park, II	Liberec	Retail	6,200	100 %	Early 2011	Autumn 2011
Most Retail Park	Most	Retail	8,400	100 %	Autumn 2008	Phase 1: Spring 2009 Phase 2: Autumn 2012
Futurum Hradec Králové, extension	Hradec Králové	Retail	9,800	2) 20 %	Mid-2010	Autumn 2011
Retail park, Teplice	Teplice	Retail	7,600	100 %	Spring 2012	Autumn 2012
Shopping centre, Frýdek Místek	Frýdek Místek	Retail	19,000	100 %	Autumn 2012	Autumn 2013
Slovakia						
Retail park, Prešov	Prešov	Retail	9,300	100 %	Spring 2012	Autumn 2012
Euro Mall Holding, total floor space		**approx.**	**378,000**			

1) Based on fee income.

2) Euro Mall Holding's share of profit amounts to 50 %.

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 start as space is let.

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 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 94 %. Following satisfactory pre-construction letting of the second, 7,000 m² phase of this project, construction was started in spring 2010. The second phase is projected to open in autumn 2010. At present, negotiations with several potential Czech and international tenants for the remaining premises are ongoing.

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 autumn 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 87 %. The second phase is expected to be completed in autumn 2012.

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. The current occupancy rate is 77 %. Construction is expected to start in mid-2010, with the opening scheduled for autumn 2011.

Retail park, Teplice, Czech Republic
Euro Mall Holding owns plots of land in Teplice with a view to constructing a retail park of about 7,600 m². A building permit has been granted for the project. Letting is ongoing, and construction is expected to start in spring 2012, with the opening scheduled for autumn 2012.

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 19,000 m² shopping centre. Construction is expected to start in the course of 2012, with the handover scheduled for 2013.

Retail park, Prešov, Slovakia
Euro Mall Holding owns 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 2012, with the opening scheduled for autumn 2012.

INVESTMENT PROPERTIES

The Group's investment properties

Project name	City/town	Segment	Floor space*) (m^2)	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 356.6 million at 30 April 2010 against DKK 355.1 million at 31 January 2010.

Central Europe

Euro Mall Holding's investment property Futurum Hradec Králové had a carrying amount of DKK 160.7 million at 30 April 2010, 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 return requirement is unchanged compared to 31 January 2010.

The investment property is owned through 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 period under review, the letting situation was satisfactory.

There are plans to extend the Futurum Hradec Králové Shopping Centre by almost 10,000 m^2. Construction is expected to start in mid-2010, with the opening 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 30 April 2010, the properties were recognized at DKK 196.0 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 return requirement is unchanged compared to 31 January 2010.

FINANCIAL REVIEW

Accounting policies

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. The Interim Report for Q1 2010/11 has been presented in accordance with the financial reporting standards (IFRS/IAS) and IFRIC interpretations applicable for financial years beginning at 1 February 2010.

The implementation of new and amended financial reporting standards and interpretations has not impacted recognition and measurement. Thus, the new standards and interpretations have no effect on the earnings per share and the diluted earnings per share.

With the exception of the changes mentioned above, the accounting policies have been applied consistently with those presented in the Annual Report for 2009/10. Reference is made to the Group's Annual Report for 2009/10 for a complete description of the accounting policies applied.

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 estimates and assessments

The most significant accounting estimates and assessments made by Management in applying the Group's accounting policies, and the associated, estimated material uncertainty, are the same as those made in the preparation of the Annual Report for 2009/10. For a more detailed description, reference is therefore made to the Group's 2009/10 Annual Report.

Income statement

Revenue

The revenue for Q1 2010/11 totalled DKK 159.7 million against DKK 49.6 million in the corresponding period the year before.

The revenue breaks down as follows by business unit: 89.3 % for TKD Nordeuropa, 8.7 % for Euro Mall Holding and 2.0 % for the remaining activities.

Gross margin

The gross margin for Q1 2010/11 amounted to DKK 67.2 million against DKK 25.6 million in Q1 2009/10. Excluding the value adjustment of investment properties, the gross margin amounts to 41.1 %, which Management considers satisfactory.

The value adjustment of the Group's investment properties amounted to DKK 1.5 million against DKK 3.5 million in Q1 2009/10 and relates to the Group's Czech investment property.

The gross margin for Q1 2010/11 includes the profit on account on a single project, an amount of DKK 1.5 million recognized according to the percentage of completion method. An amount of DKK 1.0 million was recognized in the same period in 2009/10.

Staff costs and other external expenses

Staff costs and other external expenses amounted to DKK 31.8 million for Q1 2010/11, a 12.2 % decline compared to Q1 2009/10.

Staff costs totalled DKK 22.5 million, down 15.4 % on Q1 2009/10. This decline reflects the full impact of the measures implemented earlier to adapt the organization to economic trends. The number of employees in the Group totalled 132 at 30 April 2010 against 136 at 31 January 2010.

Other external expenses amounted to DKK 9.3 million, on a par with Q1 2009/10.

Financing

In the period under review, the Group recorded net financing expenses of DKK 8.8 million, up DKK 5.0 million on the same period the previous year. This increase in financing expenses since 30 April 2009 is a natural consequence of the Group completing and opening three shopping centres, as these centres, besides yielding rental income that is recognized in gross profit, also involve financing expenses after their opening, which impact profit as well.

Balance sheet

The Group's balance sheet total amounted to DKK 4,583.1 million at 30 April 2010, an increase of DKK 205.8 million, or 4.7 %, compared to 31 January 2010.

Goodwill

Goodwill amounted to DKK 33.3 million at 30 April 2010 and relates to the business unit Euro Mall Holding A/S. 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 30 April 2010 is based on an unchanged required rate of return compared to 31 January 2010, amounting to 6.5 % for the German investment properties and 7.0 % for the Czech investment property.

The total value of the Group's investment properties amounted to DKK 356.6 million at 30 April 2010 against DKK 355.1 million at 31 January 2010. Of the value at 30 April 2010, DKK 196.0 million relates to the Group's German investment properties and DKK 160.6 million relates to the Group's Czech investment property.

Deferred tax assets
Deferred tax assets were recorded at DKK 286.0 million in the balance sheet at 30 April 2010 against DKK 284.9 million at 31 January 2010. The valuation of the tax assets is based on existing budgets and profit forecasts for a five-year period. The valuation for the first three years has been based on an assessment of specific projects in the Group's project portfolio. The valuation for the next two years has been based on specific projects in the project portfolio with a longer time horizon than three years as well as various project opportunities.

Project portfolio
The total project portfolio grew by DKK 127.0 million compared to 31 January 2010, amounting to DKK 3,380.5 million at 30 April 2010. This growth is partly attributable to the Group's completion of the Sillebroen shopping centre in Frederikssund, Denmark, and the recently started construction of phase II of the Fashion Arena Outlet Center in Prague, the Czech Republic.

Total prepayments based on forward-funding agreements amounted to DKK 311.5 million at 30 April 2010 against DKK 350.7 million at 31 January 2010. The decline should be viewed in relation to the handover of the Group's 10,900 m^2 retail park in Uppsala, Sweden, in Q1 2010/11, where the sales agreement was based on forward funding. At 30 April 2010, forward funding represented about 92 % of the gross carrying amount of sold projects.

Receivables
Total receivables amounted to DKK 274.0 million, the same level as at 31 January 2010.

Cash and cash equivalents
Cash and cash equivalents amounted to DKK 107.3 million at 30 April 2010, a DKK 29.8 million increase compared to 31 January 2010. The increase is a combined result of cash freed up from projects handed over and the conclusion of a few improved financing agreements on the one hand, and the use of cash resources for operations and investments in new projects on the other.

Equity
At 30 April 2010, the Group's equity came to DKK 1,626.2 million, against DKK 1,593.4 million at 31 January 2010.

The increase in equity since 31 January 2010 is due mainly to the profit recorded for the period and the positive market-value adjustments after tax of DKK 12.4 million.

The solvency ratio amounts to 35.5 %.

Long-term liabilities
The Group's long-term liabilities represented DKK 199.1 million at 30 April 2010, increasing by DKK 95.3 million from 31 January 2010.

Short-term liabilities
Short-term liabilities represented DKK 2,757.7 million at 30 April 2010, a DKK 77.7 million increase from 31 January 2010.

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 30 April 2010, an amount of DKK 5.2 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 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 2010, credits worth DKK 298.3 million were due to mature in the 2010/11 financial year. Management expects these project credits to be extended.

Cash flow statement
The cash flow statement shows negative cash flows from operating activities of DKK 126.7 million, negative cash flows from investing activities of DKK 0.4 million and positive cash flows from financing activities of DKK 154.1 million.

The Group's cash flows from operating activities depend largely on the funds tied up in the Group's projects. During the period under review, the Group invested in various projects, including the completion of its Sillebroen shopping centre in Frederikssund, Denmark.

The Group undertook no major investing activities in the period under review.

Most of the Group's financing activities consist of raising and reducing project financing. Cash flows from financing activities should be viewed in relation to cash flows from operating activities, as investments in projects are largely financed by bank loans.

OTHER MATTERS

Supervisory Board

At the Company's Annual General Meeting on 25 May 2010, the longstanding Chairman of the Company's Supervisory Board, Poul Lauritsen, resigned from his position. Jens Erik Christensen was elected to take the vacant seat on the Supervisory Board. Jens Erik Christensen, MSc (Actuarial Science), previously held the position of Chief Executive Officer of the Codan Group. His current board memberships include a seat on the Supervisory Board of the SAS Group in Stockholm, and he was a member of the Falck Group's Supervisory Board for more than 13 years. After the Annual General Meeting, a meeting was held for the purpose of electing officers, with Niels Roth being elected as the new Chairman, and Torsten Erik Rasmussen being re-elected as Deputy Chairman of the Supervisory Board.

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, reference is made to the Group's Annual Report for 2009/10, which is available at the Group's website www.tk-development.dk.

Extraordinary General Meeting

An Extraordinary General Meeting of TK Development A/S will be held at 10 am on 1 July 2010 at Hotel Hvide Hus in Aalborg. The Supervisory Board recommends that the General Meeting adopt a proposal for a capital reduction of DKK 140.2 million, involving a writedown of the share denomination from DKK 20 to DKK 15, such that the amount of the reduction is allocated to a special fund under equity. The Supervisory Board further recommends the adoption of a proposal for an increase of the Company's share capital, with gross proceeds of DKK 210.3 million and with pre-emptive rights for the Company's existing shareholders, entitling them subscribe for one new share at a price of DKK 15 for every two shares held.

The complete proposals appear from the agenda of the General Meeting and are available at TK Development's website www.tk-development.dk.

STATEMENT BY THE SUPERVISORY AND EXECUTIVE BOARDS ON THE INTERIM REPORT

The Supervisory and Executive Boards have today considered and adopted the Interim Report for the period 1 February – 30 April 2010 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 30 April 2010 and of the results of the Group's operations and cash flows for the period from 1 February 2010 to 30 April 2010.

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 provide a true and fair description of the most significant risks and elements of uncertainty faced by the Group.

Aalborg, 30 June 2010

EXECUTIVE BOARD

Frede Clausen
President and Chief Executive Officer (CEO)

Robert Andersen
Executive Vice President

SUPERVISORY BOARD

Niels Roth
Chairman

Torsten Erik Rasmussen
Deputy Chairman

Kurt Daell

Per Søndergaard Pedersen

Jesper Jarlbæk

Jens Erik Christensen

CONSOLIDATED FINANCIAL STATEMENTS

Income statement and comprehensive income statement

DKKm	**Q1 2010/11**	Q1 2009/10	Full-year 2009/10
Net revenue	**159.7**	49.6	1,369.9
External direct project costs	**-94.0**	-27.5	-1,158.5
Value adjustment of investment properties, net	**1.5**	3.5	-10.9
Gross profit/loss	**67.2**	25.6	200.5
Other external expenses	**9.3**	9.6	38.6
Staff costs	**22.5**	26.6	99.9
Total	**31.8**	36.2	138.5
Profit/loss from ordinary activities before financing, depreciation and amortization	**35.4**	-10.6	62.0
Depreciation, amortization and writedowns of long-term assets	**0.9**	1.1	4.5
Profit/loss from ordinary activities before financing	**34.5**	-11.7	57.5
Income from investments in associates	**0.7**	0.1	-0.2
Financial income	**8.1**	7.6	10.6
Financial expenses	**-16.9**	-11.4	-28.5
Total	**-8.1**	-3.7	-18.1
Profit/loss before tax	**26.4**	-15.4	39.4
Tax on profit/loss for the period	**6.9**	3.4	14.0
Profit/loss for the period	**19.5**	-12.0	25.4

Comprehensive income statement

Profit/loss for the period according to income statement	**19.5**	-12.0	25.4
Foreign-exchange adjustments, foreign operations	**12.5**	16.3	32.5
Tax on foreign-exchange adjustments, foreign operations	**-0.1**	0.4	-5.8
Value adjustments of hedging instruments	**0.0**	0.0	31.4
Comprehensive income statement for the period	**31.9**	4.7	83.5

Earnings per share

Earnings per share (EPS) of nom. DKK 20	**0.7**	-0.4	0.9
Diluted earnings per share (EPS-D) of nom. DKK 20	**0.7**	-0.4	0.9

Balance sheet

DKKm	**30.04.2010**	31.01.2010	30.04.2009
ASSETS			
Long-term assets			
Goodwill	**33.3**	33.3	33.3
Intangible assets	**33.3**	33.3	33.3
Investment properties	**356.6**	355.1	369.8
Other fixtures and fittings, tools and equipment	**8.9**	9.2	13.5
Property, plant and equipment	**365.5**	364.3	383.3
Investments in associates	**25.4**	24.7	24.2
Other securities and investments	**1.2**	1.3	1.3
Deferred tax assets	**286.0**	284.9	269.0
Other long-term assets	**312.6**	310.9	294.5
Total long-term assets	**711.4**	708.5	711.1
Short-term assets			
Projects in progress or completed	**3,380.5**	3,253.5	2,776.5
Trade receivables	**116.6**	106.5	122.1
Receivables from associates	**2.9**	2.9	8.0
Contracted work in progress	**18.0**	17.8	0.0
Other receivables	**120.4**	125.7	162.6
Prepayments	**16.1**	17.4	22.5
Total receivables	**274.0**	270.3	315.2
Securities	**4.0**	4.0	4.0
Deposits in blocked and escrow accounts	**105.9**	63.5	86.6
Cash and cash equivalents	**107.3**	77.5	63.0
Total short-term assets	**3,871.7**	3,668.8	3,245.3
ASSETS	**4,583.1**	4,377.3	3,956.4

DKKm	**30.04.2010**	31.01.2010	30.04.2009
LIABILITIES AND EQUITY			
Equity			
Share capital	**560.9**	560.9	560.9
Other reserves	**34.2**	21.8	-19.6
Retained earnings	**1,031.1**	1,010.7	970.8
Total equity	**1,626.2**	1,593.4	1,512.1
Short- and long-term liabilities			
Credit institutions	**121.3**	26.0	107.1
Provisions	**12.2**	14.7	10.3
Deferred tax liabilities	**61.8**	59.2	42.4
Other debt	**3.9**	3.9	2.4
Total long-term liabilities	**199.2**	103.8	162.2
Credit institutions	**2,366.0**	2,298.0	1,757.2
Trade payables	**130.8**	144.1	284.4
Prepayments received from customers	**0.0**	4.0	2.6
Corporate income tax	**22.2**	24.9	10.5
Provisions	**19.1**	14.2	6.4
Other debt	**205.8**	185.8	212.0
Deferred income	**13.8**	9.1	9.0
Total short-term liabilities	**2,757.7**	2,680.1	2,282.1
Total short- and long-term liabilities	**2,956.9**	2,783.9	2,444.3
TOTAL LIABILITIES AND EQUITY	**4,583.1**	4,377.3	3,956.4

Statement of changes in equity

The share capital of TK Development 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 reserves	Retained earnings	Total equity
Equity at 1 February 2009	**560.9**	**-36.3**	**981.4**	**1,506.0**
Comprehensive income for the period	0.0	16.7	-12.0	4.7
Dividend	0.0	0.0	0.0	0.0
Share-based remuneration (warrants)	0.0	0.0	1.4	1.4
Equity at 30 April 2009	**560.9**	**-19.6**	**970.8**	**1,512.1**
Equity at 1 February 2010	**560.9**	**21.8**	**1,010.7**	**1,593.4**
Comprehensive income for the period	0.0	12.4	19.5	31.9
Dividend	0.0	0.0	0.0	0.0
Share based remuneration (warrants)	0.0	0.0	0.9	0.9
Equity at 30 April 2010	**560.9**	**34.2**	**1,031.1**	**1,626.2**

Cash flow statement

DKKm	**3 mths. 2010/11**	3 mths. 2009/10	Full-year 2009/10
Profit/loss before financing	**34.5**	-11.7	57.5
Adjustments for non-cash items:			
Value adjustments, investment properties	**-1.5**	-3.5	10.9
Depreciation	**0.8**	1.1	4.2
Warrants	**0.9**	1.4	3.9
Provisions	**2.3**	-2.1	9.9
Market-value adjustments	**5.7**	-4.1	-10.4
Increase/decrease in investments in projects, etc.	**-85.8**	-184.9	-521.8
Increase/decrease in receivables	**-0.9**	21.2	71.9
Changes in deposits on blocked and escrow accounts	**-42.6**	29.6	52.8
Increase/decrease in payables and other debt	**2.3**	38.7	-108.5
Cash flows from operating activities before net financials and tax	**-84.3**	-114.3	-429.6
Interest paid, etc.	**-31.7**	-30.6	-128.8
Interest received, etc.	**0.8**	1.8	5.3
Corporate income tax paid	**-10.9**	-15.1	-29.7
Cash flows from operating activities	**-126.1**	-158.2	-582.8
Investments in equipment, fixtures and fittings	**-0.3**	-0.6	-1.0
Sale of equipment fixtures and fittings	**0.0**	0.5	2.1
Investment in investment properties	**-0.1**	0.0	0.0
Purchase of securities and investments	**0.0**	0.0	-0.7
Cash flows from investing activities	**-0.4**	-0.1	0.4
Repayment, long-term financing	**-0.3**	-0.1	-1.2
Raising of project financing	**95.6**	0.0	0.0
Reduction of project financing/repayments, credit institutions	**193.9**	145.6	704.1
Changes in deposits on blocked and escrow accounts	**-135.7**	-35.2	-160.2
Cash flows from financing activities	**153.5**	110.3	542.7
Cash flows for the year	**27.0**	-48.0	-39.7
Cash and cash equivalents, beginning of year	**77.5**	111.0	111.0
Market-value adjustment of cash and cash equivalents	**2.8**	0.0	6.2
Cash and cash equivalents at year-end	**107.3**	63.0	77.5

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
30 April 2010					
Net revenue	**127.9**	**29.2**	**2.6**	**0.0**	**159.7**
Profit/loss for the period	**11.4**	**5.3**	**2.5**	**0.0**	**19.5**
Segment assets	**1,756.4**	**2,001.8**	**2,191.8**	**-1,366.9**	**4,583.1**
Segment liabilities	**1,377.4**	**1,170.3**	**565.5**	**-156.4**	**2,956.8**

DKKm	TKD Nordeuropa	Euro Mall Holding	TKD	Elimination	Total
30 April 2009					
Net revenue	26.9	20.2	2.5	0.0	49.6
Profit/loss for the period	-8.9	7.2	-10.3	0.0	-12.0
Segment assets	1,494.7	1,668.6	2,082.9	-1,289.8	3,956.4
Segment liabilities	1,102.2	829.9	570.8	-58.6	2,444.3

Note 2. External direct project costs

DKKm	**3 mths. 2010/11**	3 mths. 2009/10	Full year 2009/10
Project costs	**94.0**	27.5	1,155.0
Impairment losses on projects in progress and completed projects	**0.0**	0.0	3.5
Reversal of impairment losses on projects in progress and completed projects	**0.0**	0.0	0.0
External direct project costs, total	**94.0**	27.5	1,158.5

Note 3. Share-based remuneration

The Group has two existing incentive schemes. Reference is made to the annual report 2009/10.
The outstanding warrants can be specified as follows

Number of warrants	**30.04.2010**	30.04.2009	31.01.2010
Outstanding warrants, beginning of the year	**1,350,000**	1,376,000	1,376,000
Allocated during the financial year	**0**	0	0
Lapsed due to termination of employment	**0**	0	-26,000
Exercised during the financial year	**0**	0	0
Outstanding warrants, end of period	**1,350,000**	1,376,000	1,350,000
Number of warrants exercisable at the balance sheet date	**676,000**	0	676,000
Share-based remuneration recognized in the income statement	**0.9**	1.4	3.9

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)
- Joint ventures and associates.

Supervisory Board and Executive Board (and their related parties)	**30.04.2010**	31.01.2010	30.04.2009
Holding of shares, in terms of number	**2,382,628**	2,382,628	2,382,934
Obligation towards Executive Board, employee bond	**1.5**	1.5	1.5
Joint ventures and associates			
Fee from joint ventures	**0.0**	0.3	0.1
Interest income from joint ventures	**1.7**	5.0	0.2
Interest expenses, joint ventures	**-0.9**	-9.7	-1.1
Interest income from associates	**0.0**	0.3	0.1
Receivables from associates	**25.8**	2.9	8.0
Receivables from joint ventures	**88.9**	87.1	104.6
Payable to joint ventures	**111.4**	110.1	115.4

COMPANY INFORMATION

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Supervisory board: Niels Roth, Torsten Erik Rasmussen, Per Søndergaard Pedersen, Kurt Daell, Jesper Jarlbæk and Jens Erik Christensen