

**Downward revision of profit forecast for the 2008/09 financial year  
Profit of about DKK 150 million after tax expected for the 2009/10 financial year**

*Summary:*

*TK Development has revised its profit forecast for the 2008/09 financial year downwards to about DKK 150 million after tax due to the postponement of project sales and the value adjustment of German investment properties. The Group expects profits to remain at the same level in the 2009/10 financial year.*

TK Development has revised its profit forecast for the 2008/09 financial year downwards by about DKK 50 million to about DKK 150 million after tax.

The background for this downward revision is the postponement of project sales in the last part of the financial year and the value adjustment of investment properties in Germany.

The authorities' longer-than-assumed processing time and current market conditions have caused the postponement of a few project sales.

The Group owns five residential and rental business properties in Germany whose valuation has previously been based on a return of 6.0 % p.a., calculated on the basis of a discounted cash-flow (DCF) model over a ten-year period. Management assesses that the return requirement for these properties has risen, resulting in a falling market value. Thus, Management has reassessed the value, basing it on a return of 6.5 % p.a. and a ten-year DCF model. This value adjustment of the properties represents a DKK 15 million decrease after tax compared to the value at the beginning of the year. This decrease has been included in the total downward revision of profit.

The new profit forecast for 2008/09 results in a return on equity of about 10 %.

TK Development expects the challenging market conditions to continue in the 2009/10 financial year. Based on the sales already completed and the potential of the existing project portfolio, Management also expects to generate a profit of about DKK 150 million after tax for the 2009/10 financial year.

*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 2007/08 Annual Report.*

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